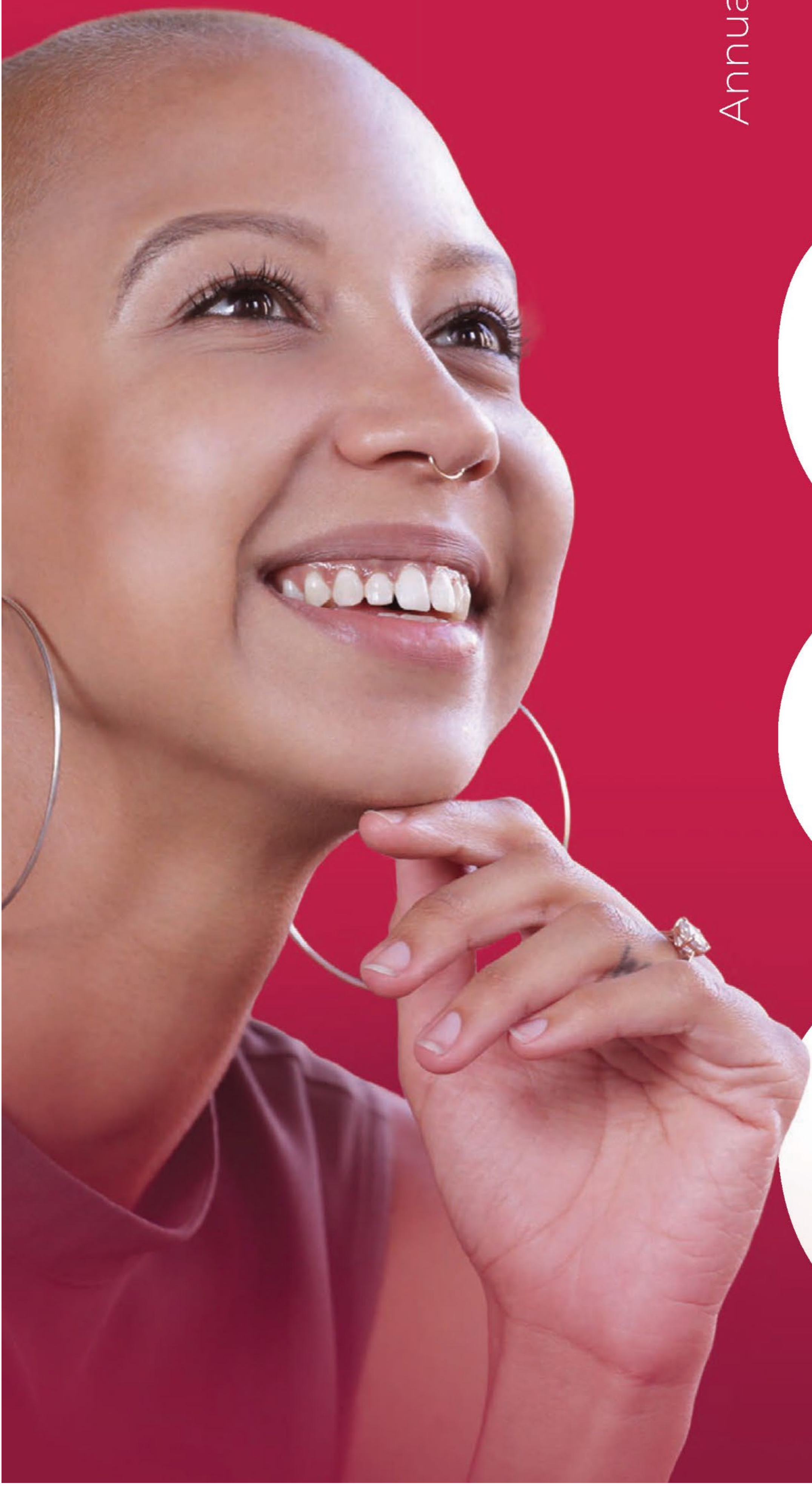
Annual report 2024

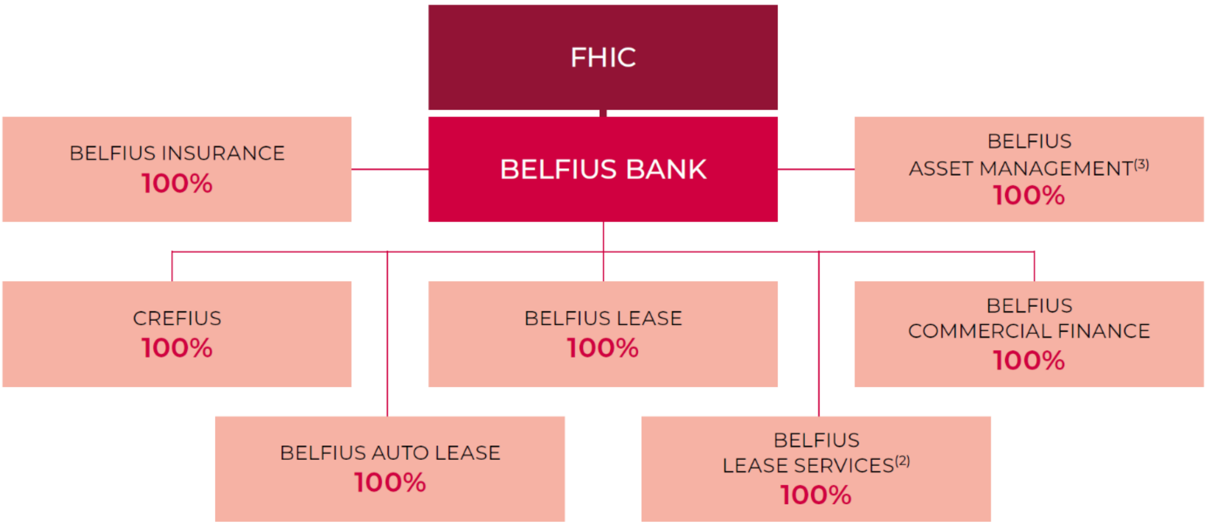


Belfius

Content

PROFILE OF BELFIUS

Simplified group structure(1)



(1) For more details, see the list of subsidiaries of the consolidated financial statements in this annual report.
(2) Belfius Lease Services operates under the same brand (logo) as Belfius Lease.
(3) Following the strategic partnership with Candriam, one share of Belfius Asset Management is held by Candriam.

Our main commercial subsidiaries[1]

1. 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 2024, total consolidated balance sheet of Belfius Insurance amounted to EUR 20 billion.

2. Crefius

Company servicing and managing mortgage loans. At the end of 2024, total balance sheet of Crefius amounted to EUR 27 million.

3. Belfius Auto Lease

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of 2024, total balance sheet of Belfius Auto Lease amounted to EUR 830 million.

4. Belfius Lease

Company for financial leasing and renting of professional capital goods. At the end of 2024, total balance sheet of Belfius Lease amounted to EUR 1,054 million.

5. Belfius Lease Services

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of 2024, total balance sheet of Belfius Lease Services amounted to EUR 3,508 million.

6. Belfius Commercial Finance

[1] Total IFRS balance sheet before consolidation adjustments.

Company for financing commercial loans to debtors, debtor in-solvency risk cover and debt recovery from debtors (factoring). At the end of 2024, total balance sheet of Belfius Commercial Finance amounted to EUR 1,547 million.

7. Belfius Asset Management

Company for administration and management of investment funds. At the end of 2024, total balance sheet of Belfius Asset Management amounted to EUR 190 million and assets under management amounted to EUR 34.7 billion.

Our activities

Belfius is a Belgian bank-insurer serving more than 3.8 million customers as of 31 December 2024, from all segments of the Belgian economy including the retail, SME, public sector and corporate markets. With approximately 360,000 entrepreneurs, enterprises and public and social institutions (E&E&P), Belfius is successfully pursuing its ambition of ‘Lead & Loved Bank’ in the Entrepreneurs and Enterprises (E&E) segment, and remains leader in the public and social sector thanks to more than 160 years of experience.

Belfius’ integrated business model is based on creating and leveraging synergies across these client segments, as well as its products and businesses. Belfius organises its commercial activities into its Individuals segment and Entrepreneurs, Enterprises & Public segment.

1. Individuals

Belfius offers individuals a comprehensive range of retail, private banking, wealth management and insurance products and services. Belfius serves its 3.4 million customers through its integrated omni-channel distribution network, which includes 460 branches, digital channels, its modern interaction platform Belfius Connect and a large number of automatised self-banking machines. Through executing its digital strategy, Belfius became a leader in mobile banking with 2.1 million active mobile users.

Belfius Insurance, a subsidiary of Belfius Bank, distributes its insurance products through the Belfius Bank branches and multi-channel distribution network, through the tied agent network of DVV Insurance, as well as through Belfius Direct Insurance. Through its Elantis and DVV brands, Belfius also offers mortgage loans and consumer loans to its customers.

2. Entrepreneurs, Enterprises & Public

The Business Banking segment mainly comprises self-employed persons, liberal professions (e.g. lawyers, doctors, accountants and so on) and SMEs with a turnover of EUR 0 to EUR 10 million.

The Corporate Banking segment includes medium and large Belgian companies with a turnover of more than EUR 10 million and operating in Belgium in all sectors of activity.

The Public and Social segment includes local public bodies (e.g. municipalities, provinces, police districts and public centres for social action), supralocal public bodies, regional and federal public bodies, mutual societies and trade unions, healthcare (hospitals, retirement homes), education (universities, schools) and housing, as well as foundations, social secretariats and pension funds.

Belfius provides these clients with a wide and integrated range of products and services, including credit lending, treasury management, insurance products, financial markets products and financial IT tools.

Belfius Insurance also sells insurance products to its public and social sector clients. Specific life insurance solutions are offered, especially pension insurance in the second and third pension pillars for civil servants and investment products in Branch 26 (life insurance with a capital guarantee and guaranteed minimum return, to which a variable profit participation feature may be added). The development of the insurance policies specifically dedicated to the “Business” segment is one of the strategic development axes for both Life and Non-Life segments and are distributed via the Belfius Bank branches and via the tied agent network of DVV Insurance.

Our staff members

At the end of 2024, Belfius' operations provided employment for 7,198 staff members, and there were approximately 3,300 persons working in the Bank's and Insurer's independent networks.

Key figures

Consolidated statement of income

(in millions of EUR)	2023	2024
INCOME	3,141	3,259
EXPENSES	(1,538)	(1,613)
GROSS INCOME	1,603	1,646
Impairments on financial instruments and provisions for credit commitments	(109)	(133)
Impairments on tangible and intangible assets	(1)	0
RESULT BEFORE TAX	1,493	1,513
Tax (expense) income	(376)	(384)
NET INCOME AFTER TAX	1,117	1,129
Non-controlling interests	2	2
NET INCOME GROUP SHARE	1,115	1,127
of which		
Bank(1)	876	854
Insurance(1)	239	273

(1) Contribution of the Belfius Insurance and Belfius Bank groups to the consolidated statement of income.

Consolidated balance sheet

(in millions of EUR)	31/12/23	31/12/24
TOTAL ASSETS	179,179	187,457
TOTAL LIABILITIES	166,960	174,624
TOTAL EQUITY	12,219	12,833

(in millions of EUR)	31/12/23	31/12/24
TOTAL ASSETS	179,179	187,457
of which		
Cash and Balances with central banks	20,487	22,260
Loans and advances due from credit institutions	5,274	4,496
Loans and advances	114,531	119,590
Debt securities and equity instruments	27,924	29,973
Derivatives	5,321	5,286
TOTAL LIABILITIES	166,960	174,624
of which		
Cash and Balances from central banks	1,430	0
Credit institutions borrowings and deposits	3,912	2,314
Borrowings and deposits	104,000	108,663
Debt securities issued and other financial liabilities	36,018	41,453
Derivatives	7,229	6,505
TOTAL SHAREHOLDERS' EQUITY	11,684	12,187
of which		
Shareholders' core equity	11,491	12,195
Gains and losses not recognised in the statement of income	193	(8)
TOTAL EQUITY	12,219	12,833
of which		
Total shareholders' equity	11,684	12,187
Additional Tier-1 instruments included in equity	497	601
Non-controlling interests	38	46

Ratios[1]

	31/12/23	31/12/24
Return on equity (ROE)	10.1%	9.6%
Return on assets (ROA)	0.62%	0.61%
Cost-income ratio (C/I ratio)	43%	43%
Asset quality ratio[2]	1.78%	1.92%
Coverage ratio	56.0%	49.4%
Liquidity Coverage Ratio (LCR)[3]	138%	139%
Net Stable Funding Ratio (NSFR)	128%	133%

(1) Unaudited.
(2) The ratio between impaired loans and advances to customers & credit institutions taking into account the default status of the final counterparty and the gross outstanding loans and advances to customers & credit institutions.
(3) 12-month average.

Solvency ratios[1]

	31/12/23	31/12/24
CET 1 capital ratio[2]	16.0%	15.4%
Tier 1 capital ratio[2]	16.7%	16.1%
Total capital ratio[2]	19.1%	18.6%
Leverage ratio	6.5%	6.5%
Solvency II – ratio (before dividend)	207%	209%
Solvency II – ratio (after dividend)	195%	196%

(1) Unaudited.
(2) For the determination of the Capital ratios under Basel III, the regulatory authority asks Belfius Bank to apply a risk weighting of 370% on the capital instruments held by Belfius Bank in Belfius Insurance after deduction of goodwill. This is commonly known as "Danish compromise".

Human Capital

	2023			2024		
Staff members	Male	Female	Total	Male	Female	Total
TOTAL	3,531	3,408	6,939	3,668	3,530	7,198

Ratings of Belfius Bank as at 20 March 2025

	Stand-alone rating[1]	Long-term rating	Outlook	Short-term rating
Fitch	a-	A-	Stable	F1
Moody's	a3	A1	Stable	Prime-1
Standard & Poor's	a-	A	Stable	A-1

(1) Intrinsic creditworthiness.

Management report

Message from the chairman

If Belfius was in 2024 more than ever an indispensable driving force for the Belgian economy and society, this not only confirms the relevance of its deliberate long-term strategy, but also and above all the years of trust and satisfaction of its more than 3.8 million clients. That 94% of customers in 2024 express satisfaction to high satisfaction with Belfius reflects the core of Belfius' strategy: always and everywhere putting the customer at the centre. Start-ups looking to establish a business, families wanting to achieve their dream home and neighbourhoods bustling with new schools, hospitals, theatres, or sports centres. Because the savings that customers entrust to Belfius are reinvested to the maximum extent in our Belgian economy and society. Thus, in 2024, we also built a strong and sustainable Belgium for everyone. Not only with infinite Love for the customer, but also ...

With unwavering support for entrepreneurs and enterprises

From its steadfast support of Belgian entrepreneurial talent, Belfius also provides them with the necessary financial resources in the economically challenging year of 2024 to fulfil their role in the Belgian economy in the face of today's and tomorrow's challenges. From this ambition and despite fierce competition, Belfius granted a total of EUR 13.4 billion in new long-term loans to Belgian entrepreneurs and enterprises in 2024. Total outstanding loans to the Business and Corporate segment rose by about 6% to EUR 41.9 billion by the end of 2024. Parallel to the growth figures in loans granted, Belfius' market share of loans continued to grow in 2024, for both the Business and Corporate segments to 20.2% and 21.6%, respectively. And Belfius' commitment to contributing to the many Belgian entrepreneurial dreams is clearly appreciated: the most recent satisfaction survey of Belfius in this segment, conducted in October 2024, records a very high level of satisfaction: 93% in Business and Corporate.

With a vision for a sustainable and forward-looking society for every Belgian

Being Meaningful & Inspiring for Belgian society, that is and remains the ultimate premise of Belfius' mission. The fact that 90% of Belfius customers state in the recent satisfaction survey that, in their opinion, Belfius makes a positive contribution to Belgian society is a fine confirmation that Belfius effectively fulfils that mission. In 2024, Belfius granted EUR 3.4 billion in new long-term loans to the Public and Social sector. That is a nice increase of 7%, especially considering the election year, during which public authorities are usually less inclined to make new investments. With this, Belfius generates 57% of the volumes in new long-term loans in the Public and Social sector. With total outstanding loans in this segment of EUR 24.2 billion (+2.3% since the end of 2023), Belfius ensures that every Belgian can continue to rely on the best hospitals, schools and other local infrastructure. Being the undisputed market leader in the Public and Social segment also goes hand in hand with very high customer satisfaction: no less than 99% of customers in this segment indicate that they are satisfied to very satisfied with Belfius.

With warm support for those who want to achieve their dream home

Even though rising construction and renovation costs are dampening the average Belgian's appetite to build or renovate, Belfius remains fully committed in 2024 to helping their home dreams come true. This is reflected in 2024 in a production of new mortgage loans amounting to EUR 5.6 billion, an increase of 5.3% compared to 2023. Total outstanding loans in the Individuals segment have continued to grow, reaching EUR 52.2 billion. This corresponds to a solid market share in the outstanding volume of loans of 16.4%, which also keeps Belfius in the position Belgium's second largest mortgage provider in 2024.

With a savings and investment offer for everyone

The total outstanding amount in savings & investments across all products and segments rose by 6% in 2024 to EUR 197.5 billion. That is a significant increase of EUR 11.1 billion, of which EUR 4.5 billion came from the favourable market effect and no less than EUR 6.7 billion from an extremely strong organic growth, particularly in the Individuals segment. These impressive growth figures are mainly attributed to the successful recovery of customer funds following the maturity of the Belgian State Bond in September last year. In response to customer demand for higher returns and with a versatile and tailored savings and investment offering, Belfius successfully recovered EUR 4.3 billion in September 2024. Belfius was even able to attract EUR 800 million more in customer funds than the outflow of funds to the State Bond in 2023. With the issue of its first social bond in 2024, Belfius was able to raise a total of EUR 550 million. Customers also clearly found their way to branch 21 and term products, whose total assets rose by no less than 23.7% to EUR 37.8 billion by the end of 2024. Investors were also delighted with the Belfius offer. Last year, Belfius saw the outstanding amount of funds invested via discretionary asset management rise by 13% to EUR 54.6 billion. The Funds of the Future also remained to enjoy the trust of the client with total assets of EUR 2.9 billion by the end of 2024.

For Re=Bel, 2024 was a record year with an impressive increase of 35% to no less than 127,100 investors who have meanwhile found their way to Belfius' digital stock exchange platform. The past year, the platform accounted for approximately 510,000 buying and selling transactions (+51%) with a total value of EUR 1.950 billion, or 71% more than in 2023.

Finally, the life insurance products of Belfius Insurance were clearly well-received: Life premiums reached EUR 1.444 billion, or 7.5% more than at the end of 2023, particularly due to some innovative products in branch 21 and branch 23. In parallel, total Life reserves increased by 5.1%, once again flirting with the EUR 15 billion mark by the end of 2024.

The strong commercial figures are undeniably driven by high client satisfaction: no less than 87% of Individuals are satisfied to very satisfied with their savings and investment products at Belfius.

Belfius' strategy to become the reference bank in the private banking & wealth management market is paying off. By the end of 2024, approximately 172,000 customers entrusted their asset management to Belfius, which is 8% more than in 2023. That translates into a further growing market share of 15.2%. Driven by a favourable market effect, but even more by a remarkably strong organic growth of EUR 3.3 billion, which almost tripled compared to 2023, total savings and investments of Private & Wealth customers reached EUR 61.4 billion by the end of 2024. The exclusive customer experience is catching on and is also translating into higher satisfaction scores: 95% among the Wealth customers and even 98% among customers with a Private Membership.

With a commitment to clients who rely on an ever-closer bank-insurer

Improving accessibility was a high priority on the Belfius agenda in 2024. Based on the visible positive impact on the satisfaction score, which rose to 93% among individual customers by the end of 2024, Belfius can assert that its 'Always on' action plan has lived up to expectations since the second half of 2024. Since early September 2024, virtually all branches located in cities have been available every working day without an appointment and since January 2025, customers can also visit the other branches two days a week without an appointment. That 91% of individual customers are satisfied to very satisfied with their branch in general only further motivates Belfius to continue investing in personalised contact and physical branch networks, which will number 433 universal branches by the end of 2024.

Not only physically, but also by telephone, efforts have been made since June 2024 to improve accessibility, including faster telephone assistance. The staff of the customer service Belfius Connect additionally answer an average of over 54,000 phone calls per month. In the branches, an average of 176,000 telephone calls are answered monthly.

The digital accessibility has also seen a leap forward. The ‘Contact’ overview in the app received a complete makeover and nearly 250,000 customers made an appointment with their branch in 2024 through just a few clicks in the app. With nearly 70,000 interactions per month, more and more users rely on the Belfius chatbot each year. That the app will remain a popular channel in 2024 is evidenced not only by the more than 2 million mobile active users who use their app 41 times a month, but also by the high satisfaction score of 98%.

But non-digital customers can also continue to rely on Belfius. Each Belfius branch has dedicated terminals where these customers can carry out routine transactions (transfers or checking balances). These are currently being replaced by brand-new models.

With service for everyone

Engaged to be a bank-insurer for everyone, Belfius, as the only bank of the Public Social Welfare Centres, offers 163,303 social accounts in 2024 to provide the most vulnerable with access to financial resources. In addition, 61,000 Belfius customers can rely on a basic banking service.

With strong shoulders for those who need to protect themselves against the unexpected

In 2024, Belfius also stood by the customers side with a strong bank insurance model. Proof of this is the increasing number of new insurance policies taken out in 2024, which caused the Non-Life premiums (excluding Health) at group level to rise by 5.6% to EUR 868 million in 2024. This strong growth is also recorded across all sales channels of Belfius Insurance: the bank-insurance channel increased by 7.0%, DVV by 4.7% and Belfius Direct Insurance by 3.9%.

With strategic partnerships ready for the AI revolution

Belfius did not hesitate to embrace the revolutionary potential of artificial intelligence and in 2024 entered into several strategic partnerships in which it joined forces with two European leaders in AI. Convinced that AI can push the boundaries of customers experience, Belfius entered into a strategic partnership with Mistral AI in June 2024, for even better, faster and more personalised services. Maximally unburdening and protecting the client, in a world that is increasingly unpredictable and brings new risks, is the reason why Belfius continues to explore new insurance solutions moving beyond traditional insurance products. The exclusive and innovative partnership that Belfius entered into in the autumn of 2024 with Alan, the European healthcare pioneer, is already a striking proof of that.

With high customer satisfaction, solid financial and risk management and a deliberate choice for diversification as cornerstones of excellent results and strong solidity

The combination of high customer satisfaction, excellent commercial dynamics, a conscious choice for diversification, forward-looking financial and risk management and an emphasis on innovation has produced solid, sustainable financial results in 2024.

Belfius closes 2024 with an record consolidated net profit after tax of EUR 1.127 billion. Belfius Bank's contribution fell slightly to EUR 854 million, while that of Belfius Insurance rises by 14% to a historic high of EUR 273 million, highlighting the strength of its diversified business model. This strong result enables Belfius to further strengthen its capital base from its ambition to continue investing in Belgian society, to remain solid for the savers and investors who entrust their funds to Belfius and at the same time to be able to provide support in more challenging times such as those the Belgian economy experienced this year. It also enables Belfius to distribute for the 2024 financial year, subject to approval, a substantial social dividend in the form of an ordinary dividend of EUR 445 million. In addition, Belfius makes a significant tax contribution of EUR 716 million to the Belgian state, and consequently also to the entire Belgian economy and society. Thanks to a strong increase in Belfius' total income by 5% to EUR 4,241 million, Belfius was able to continue investing in Belgian talents and technological innovation in 2024. Therefore, Belfius' costs have increased by 5% in 2024 to EUR 1,834 million. This keeps the cost/income ratio stable and at the same excellent level as in 2023, namely at 43%. A forward-looking financial and risk management keeps Belfius in a more than solid solvency position, with an excellent CET1 ratio of 15.4%. The Solvency II ratio of Belfius Insurance is 196%. The strong solidity of Belfius is reflected, just like last year, in an excellent liquidity ratio with an LCR ratio of 139% at the end of 2024. This is partly the result of the successful recovery of customer assets after the maturity date of the Belgian State Bond issued last year. The Belfius group's shareholder equity continues to grow, reaching EUR 12.2 billion by the end of 2024.

More than ever a driving force for the entire Belgian economy and society

In 2024, an unparalleled strong annual result once again underscores Belfius' position as a solid Belgian bank-insurer. Thanks to strong commercial and financial results, prudent risk and financial management and a deliberate choice for diversification, Belfius was able to fully rev up its engine again in support of the entire Belgian economy and society. This enables us to continue building a sustainable and stronger Belgium for everyone. Our commitment 'Meaningful & Inspiring for Belgian Society. Together' is not an empty promise, but a reality that we make true every day. With the full support of our shareholder and members of the Board of Directors, for whom we are, as always, grateful for their trust in the development of our socially inspired strategy. With the boundless commitment of our thousands of talented and driven employees, as well as of the independent agents and their staff. And above all, with the years of trust from our more than 3.8 million clients who inspire us every day and to whom we sincerely wish to express our gratitude. For behind our strong results lie even stronger stories, their stories. And in the future, we will continue to contribute to this with the same commitment and pride. And above all, with much Love.

Brussels, 20 03 2025

Marc Raisière

Chairman of the Management Board

Belfius Bank

Chris Sunt

Chairman of the Board of Directors

Belfius Bank

2024 HIGHLIGHTS

The 2024 results of Belfius demonstrated Belfius' thirteenth year of consistent strategy, to live up to its purpose of being "Meaningful and inspiring for Belgian Society. Together", the resilience of its business model and the success The 2024 results of Belfius demonstrated Belfius' thirteenth year of consistent strategy, to live up to its purpose of being "Meaningful and inspiring for Belgian Society. Together.", the **resilience of its business model and the success of its revenue diversification strategy**. Belfius continued to deliver strong commercial performance and solid financial results, and kept growing its business footprint in Belgium, while benefiting from a sound capital position. Even though European short-term rates are higher than the long-term rates since the end of March 2023, continued inverted interest rate environment has been characterized in 2024 by narrowing spreads between long-term and short-term rates. Inflation in the Euro area has been on a downward trend since peaking in October 2022, but it still continued to weigh on the purchasing power of Individuals and on the profitability of Entrepreneurs and Enterprises. Credit spreads have tightened and equity markets have risen during 2024, driven by economic resilience, investor optimism and central banks' rate cuts. Given the uncertainty surrounding future growth, interest rates, inflation and the impact of geopolitical conflicts, it is however still necessary to remain vigilant in risk management and provisioning.

Belfius' **consolidated net income** 2024 stood at EUR 1,127 million, which is EUR 12 million higher than in 2023 (EUR 1,115 million). With such outstanding result, Belfius keeps exceeding the symbolic EUR 1 billion net profit threshold, mainly thanks to a strong year-over-year increase in pre-provision insurance contribution, an increasing net fee and commission income bank, and a positive other income, despite the lower net interest income bank, while costs increase has been closely monitored.

In 2024, Belfius has continued **to serve all segments of the Belgian economy** while demonstrating the power of diversification among financial activities and from the bank-insurance business model, which underlines the strength of Belfius' strategy, as illustrated by its competitive, resilient and stable cost-to-income ratio[2] of 43% and its RoNRE (Return on Normative Regulatory Equity), which stood for the fourth year in a row above the 10% mark, and by its sound risk and financial management governance.

Sound commercial activity in 2024

Belfius has granted an amount of EUR 23.8 billion in new long-term financing to the Belgian economy in 2024, up by EUR +0.4 billion from EUR 23.4 billion in 2023, despite the strong competition on the Belgian mortgage loan market. Out of these EUR 23.8 billion, 56.3% (or EUR 13.4 billion) went to Entrepreneurs and Enterprises with the latter accounting for EUR 9.4 billion. Belfius also granted EUR 3.4 billion of new long-term loans to the Public and Social sector and as such remains the reference partner for those clients. EUR 7.0 billion in new long-term financing went to Individuals, including EUR 5.6 billion in mortgage loans.

These overall sound commercial dynamics resulted in a continued increase of our outstanding stock of loans in all segments of the Belgian economy and Belgian Corporate loan market reached an estimated market share around 22%.

In 2024, **Savings and Investments** benefitted from both positive organic growth and positive market effect amounting respectively to EUR +6.7 billion and to EUR +4.5 billion. The shift in product mix from non maturing deposits towards term/straight deposits, savings certificates and bonds continued in 2024, although at a slower pace. The solid EUR +9.8 billion organic growth in maturing deposits, Branch 21, Asset Management Services & Equity more than offset the contraction in non maturing deposits and in third party products (o.a. State bonds). Volume in Asset Management Services strongly increased in 2024 thanks to solid market effect (EUR +3.9 billion) and positive organic growth (EUR +2.5 billion), stemming mainly from mutual funds and mandates. Despite this challenging macroeconomic and financial context, the Savings & Investments outstanding has reached EUR 197.5 billion, a growth of +6.0% compared to end December 2023.

Within our Insurance activities, **Non-Life GWP** (including Health) reached EUR 905 million, a growth of +5% (y-o-y), driven by premium indexation, but also thanks to net new business growth, mainly achieved in the Belfius Bank's distribution channel (+7%).

Life GWP reached EUR 1,444 million, a growth by +8% compared to 2023, supported by the solid production of Life Invest Branch 23. **Life reserves** have increased by +5.1% at EUR 15.0 billion compared to end 2023.

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

Belfius continues to perform well on the digital front. The number of active mobile users reached 2.1 million at the end of December 2024, up +5% compared to year end 2023. Belfius offers a leading & award-winning mobile banking app. Belfius will continue to leverage its world-class mobile app as the cornerstone, including to offer inspiring and innovative “beyond bank-insurance” solutions to our customers.

Excellent financial performance in 2024

Belfius’ consolidated net income 2024 stood at EUR 1,127 million, driven by strong commercial dynamics and increasing income, within a persistently executed strategy supported by solid ALM management, and disciplined cost management. Belfius Bank contributed for EUR 854 million to the consolidated net profit in 2024 (versus EUR 876 million in 2023). Belfius Insurance’s contribution amounted to EUR 273 million (versus EUR 239 million in 2023), demonstrating its structural value creation with its solid RoE of 16.0%.

Total income amounted to EUR 4,241 million in 2024 up +5% or EUR +191 million compared to 2023 (EUR 4,050 million) thanks to:

- decrease of the net interest income bank by -6% (EUR 1,974 million in 2024 vs EUR 2,108 million in 2023) in lower interest rate environment, although benefitting from a positive reinvestment rate effect, due to (i) higher tariffs on non maturing deposits, (ii) reduced interest income on decreasing non maturing deposits volumes a.o. due to 1Y Government bond, (iii) margin pressure on loans in a very competitive Belgian market, and (iv) absence of remuneration on the mandatory liquidity reserve held at National Bank of Belgium;
- increasing net fee and commission income bank from EUR 760 million in 2023 to EUR 809 million in 2024 mainly thanks to (i) increasing Asset Management service fees following strong organic growth and market effect, (ii) increasing Asset Management entry fees, resulting from higher production in mutual funds, as well as (iii) continuously growing fees from insurance activities through the banking network;
- growing insurance pre-provision income contribution, thanks to higher insurance revenue in Non-Life & Health, and to higher financial income overall, leading to increasing Life insurance income (EUR 503 million in 2024 vs EUR 456 million in 2023), and to growing Non-life & Health insurance income (EUR 923 million in 2024 vs EUR 866 million in 2023), in line with steady portfolio growth;
- positive other income at EUR +33 million in 2024 compared to EUR -140 million in 2023, mainly stemming from two exceptional items (realized capital gains on Isabel and Cyclis) and to lower bank levies in 2024 (from EUR -278 million in 2023 to EUR -218 million in 2024).

Insurance Service Expenses adjusted for directly attributable costs for insurance contracts and reinsurance amounted to EUR -761 million in 2024 vs EUR -708 million in 2023. This increase is attributable to Non-Life.

Belfius continued to develop its strong footprint in operational, commercial and financial terms, by investing in human talent and digital capital. The year 2024 has been marked by further investments in technology as well as in human capital. Costs[3] went up by +5% at EUR 1,834 million in 2024 vs EUR 1,740 million in 2023 due to these growth investments. However, thanks to the solid income evolution y-o-y, Belfius’ C/I ratio remained stable at 43% in 2024.

All in all, the combination of strong income dynamics, despite increasing insurance service expenses adjusted as well as continuing investments in commercial activities, ESG, IT and digitalization, led to an increase in pre-provision income by +3%, to EUR 1,646 million in 2024 (vs EUR 1,603 million in 2023).

In 2024, Belfius made again a detailed review of its credit risk portfolio and continued to calibrate its IFRS 9 provisions.

EUR -249 million of allowances for exposures in default have been made, o.w. a few names in the portfolio in run-off and some major individual files in the Belgian economy. Next to this, small and medium sized businesses are contributing increasingly to the specific provisions. These specific provisions have been partly offset by EUR +116 million reversals in stages 1 and 2. An important part of this reversal is explained by the reduction of the overlay for economic uncertainty and vulnerable exposures in commercial activities, and other portfolio evolutions of which some important migrations from stage 2 to stage 3.

[3] Including directly attributable costs for insurance contracts.

This led in 2024 to a negative cost of risk of EUR -133 million (net allowance), compared to EUR -109 million or a net allowance in 2023, moving back to more normalized through the cycle level.

As a result, the net income before taxes amounted to EUR 1,513 million in 2024 compared to EUR 1,493 million in 2023.

The tax expenses amounted to EUR 384 million in 2024 compared to EUR 376 million in 2023, showing an effective tax rate (25%) in line with the statutory tax rate. The higher IFRS taxes in 2024 are mainly the result of a higher consolidated result before tax than in 2023 and the non-deductibility of the NTK[4] since early 2024, whereas 20% of the NTK was deductible in 2023.

As a consequence, consolidated net income 2024 reached EUR 1,127 million compared to EUR 1,115 million in 2023. This is Belfius' highest net income since its 2011 origins.

Continued investment in the future, with a focus on sustainability

Belfius' mission, "Meaningful and Inspiring for Belgian Society. Together" encapsulates the role it sees for itself: to support and strengthen the Belgian economy and society in a sustainable way.

At Belfius, we help our clients to implement their ESG strategy and achieve their ESG goals through tailored solutions and attractive financing terms.

- Following a successful test in 2024, Belfius will roll out the Scan CO2, the carbon footprint calculator for business clients that was developed in partnership with D-Carbonize. This tool also helps business clients prioritize their carbon reduction efforts;
- With SBRS Energy, Belfius aims to help local authorities, hospitals, schools and universities create energy communities at local level, maximizing self-consumption of the renewable energy produced by their buildings and generating additional income from selling the surplus;
- As with professional customers, where awareness of the importance of ESG is created through the Corporate ESG Ambition program, individual customers now have the opportunity to take part in information sessions led by experts to help them preserve the value of their home and make it more energy efficient. Up until now around 50 sessions have taken place, informing around 2,000 individuals;
- About 30% of Belfius' mortgage production supports energy-efficient housing, with discounts for the purchase or construction of energy-efficient homes as well as for significant energy renovations. For energy-efficient (renovation of) main residences maturities can extend to 30 years;
- The Belfius trading room assisted its customers with the issuance of EUR 2.45 billion Green and Social bonds in 2024. Belfius also issued its own, third Green Bond for EUR 750 million, that have been invested in eligible assets, under a framework aligned with the ICMA Green Bond Principles 2018. On top of our green bond framework, we have additionally developed a social bond framework, which has led to the issuance of 2 social bonds for a value of EUR 576 million;
- Since 2024, Belfius has a specific offer regarding charging infrastructure for electric vehicles through our strategic partnership with CenEnergy in order to better support our customers in their transition towards a more sustainable mobility.

Solid solvency ratios and sound liquidity position

In terms of financial robustness, Belfius continues to combine dynamic growth with sound solvency, liquidity and risk metrics:

[4] Belgian tax on credit institutions.

- the CET 1 ratio stood at 15.4%, down 56 bps compared to the CET 1 ratio as of December 2023. This decrease over 2024 is mainly the result of higher regulatory risk exposures (EUR +5.6 billion to EUR 75.1 billion), partially compensated by higher CET 1 capital (EUR +473 million);
- this strong and solid CET 1 level is net of a 40% dividend pay-out ratio, hence a potential 2024 dividend of EUR 444.5 million[5], thanks to which Belfius continued to support its commercial franchise development. Hence, the total cumulative amount of dividends since Belfius' origins back in 2011 amounts to EUR 3.0 billion;
- the leverage ratio remained stable at 6.5% per end December 2024;
- insurance activities also displayed continued solid solvency metrics, with a Solvency II ratio of 196% end of December 2024 (compared to 195% end of December 2023);
- end of December 2024, Belfius continued to show an excellent liquidity and funding profile with a LCR of 139% and a NSFR of 133%;
- total shareholders' equity (Net Asset Value) further improved to EUR 12.2 billion end December 2024 (compared to EUR 11.7 billion end 2023), as a result of strong financial results and favorable financial markets.

[5] As decided by the Board of Directors of 20 March 2025 upon a proposal for dividend (to the General Assembly of 30 April 2025) over 2024 year-end results.

HUMAN RESOURCES

Belfius is fuelled by the mission to be "Meaningful and inspiring for Belgian Society. Together", a vision brought to life by the talents that make up Belfius' workforce. The Belfius talents are essential making our Love engagement concrete to the customer, every day. Our human resources practices and policies enable the customer obsession of our organization, centred on its customers in an agile and adaptative way. As such, our responsibility lies in a fair management of our talents while ensuring our culture and purpose are aligned with our purpose and strategy.

Belfius' four core values provide the framework for our corporate culture:

- Customer orientation: the satisfaction of our customers is and will remain the reference and ambition that governs everything Belfius does;
- Authenticity: Belfius respects each person's individuality and finds differences enriching. Everyone is at their best if they can be themselves;
- Fairness: Belfius seeks to balance the interests of all of its stakeholders: its aim is to create long-term value for customers and the company, as well as for the community and the environment;
- Entrepreneurial spirit: Belfius dares to take new paths and push the limits. It also has a flair for opportunity that it aims to deliver with passion, determination and integrity.

It's all about people

1. Key Figures

In 2024, Belfius Group counted 7,198 staff members, of which 99% had permanent contracts.

The age pyramid shows the distribution of the number of staff members by age group. These figures show that ageing is not only one of the major challenges of the near future (47% of staff members at Belfius Bank & Insurance are aged 50 or more), but also offers opportunities in terms of 'employability' of younger staff members, who can as a result continue to develop within the organization.

Movements in the number of active employees in the consolidated Belfius group (headcount)[1]

Type of contract	2023			2024		
	Male	Female	Total	Male	Female	Total
Permanent contract	3,506	3,394	6,900	3,629	3,510	7,139
Fixed-term contract	25	14	39	39	20	59
TOTAL	3,531	3,408	6,939	3,668	3,530	7,198

Movements in the number of active employees working full-time / part-time in the consolidated Belfius group (headcount)[1]

Work regime	2023			2024		
	Male	Female	Total	Male	Female	Total
Full-time	3,403	2,547	5,950	3,534	2,671	6,205
Part-time	128	861	989	134	859	993
TOTAL	3,531	3,408	6,939	3,668	3,530	7,198

Movements in the number of active employees per age category in the consolidated Belfius group (headcount)[1]

Age category	2023			2024		
	Male	Female	Total	Male	Female	Total
20y-29y	357	359	716	419	398	817
30y-39y	661	581	1,242	743	660	1,403
40y-49y	772	893	1,665	738	853	1,591
50y-59y	1,187	1,229	2,416	1,160	1,212	2,372
60+	554	346	900	608	407	1,015
TOTAL	**3,531**	**3,408**	**6,939**	**3,668**	**3,530**	**7,198**

(1) All of the figures relating to staff are for the 'active' headcount (unless stated otherwise), i.e. excluding employees taking early retirement, on long-term sick leave, full-time time credits, on secondment.

2. Talent Acquisition

In 2024, 1,188 internal and external vacancies for permanent positions were opened for Belfius Bank and Belfius Insurance. 712 of these vacancies were filled for Belfius Bank and 258 for Belfius Insurance. A total of 970 vacancies were filled.

Number of internal and external vacancies at Belfius Bank and Belfius Insurance, excl. temporary vacancies

	2023	2024
# vacancies	1,247	1,188

Movements in the number of 'arrivals' per age group in the consolidated Belfius Group, excl. transfers between entities[1]

Year	Age Group	Male	Female	Grand Total
2023	20-29	149	137	286
	30-39	99	93	192
	40-49	46	67	113
	50-59	19	19	38
TOTAL 2023		**313**	**316**	**629**
2024	20-29	161	149	310
	30-39	98	106	204
	40-49	58	52	110
	50-59	55	26	81
	60-69	7	0	7
TOTAL 2024		**379**	**333**	**712**

(1) All of the figures relating to staff are for the 'active' headcount (unless stated otherwise), i.e. excluding employees taking early retirement, on long-term sick leave, full-time time credits, on secondment.

In 2024, Belfius recruited 40 Young Professionals, young people who had just graduated or who had limited professional experience. These young staff members work on strategic projects in different departments over a period of two years (four missions of six months each), finding then a fixed position within the company. In 2024, in total, 84 Young Professionals were active.

Number of work experience trainees at Belfius Bank and Belfius Insurance (from school)

	2023	2024
Male	40	55
Female	28	29
GRAND TOTAL	68	84

Finally, Belfius continuously invests in its talent acquisition processes with the double objective of increasing efficiency and optimising employee experience.

Some of the initiatives taken in 2024:

- Integration of our subsidiaries in our end-to-end onboarding to offer a unique and global Belfius Love experience;
- Increasing our attractiveness to STEM profiles;
- We participated in over 46 university or secondary school job fairs, workshops and campus recruitment events, increasing Belfius Employer Brand recognition for Gen Z;
- Several recruitment marketing campaigns were launched for young talents, commercial talents and other specific target groups such as Tech team leads and Private & Wealth Managers.

3. Outflow

In absolute figures, the number of departures increased in 2024 versus 2023. Proportionally, it represents in 2024 5.9% of the Belfius Group population. The majority, 44% of these were staff members in the 60+ age group of whom most retired. At the end of 2024, the 60+ age group represents 14% of our active population at Belfius Bank and Belfius Insurance.

Movements in the number of 'departures' per age group in the consolidated Belfius group, excl. transfers between entities[1]

Year	Age Group	Male	Female	Total
2023	20-29	28	24	52
	30-39	56	29	85
	40-49	27	31	58
	50-59	17	12	29
	60 and +	90	45	135
TOTAL 2023		218	141	359
2024	20-29	31	39	70
	30-39	35	39	74
	40-49	34	28	62
	50-59	25	9	34
	60 and +	112	76	188
TOTAL 2024		237	191	428

Movements in churn in Belfius Bank and Belfius Insurance, i.e. Number of departures in year N / [(# headcounts at 31/12 for year N-1 + # headcounts at 31/12 for year N) / 2][1]

	2022	2023	2024
Belfius Bank	4.82%	4.67%	6.07%
Belfius Insurance	7.81%	6.66%	7.57%

(1) All of the figures relating to staff are for the 'active' headcount (unless stated otherwise), i.e. excluding employees taking early retirement, on long-term sick leave, full-time time credits, on secondment.

Talent management

At Belfius, we understand that our greatest asset is the exceptional talent within our organization. However, attracting top talent is just the beginning. We are committed to creating a nurturing, healthy, secure, and motivating work environment that fosters the growth and development of our employees. By investing in lifelong learning and sustainable career paths, we empower our team to thrive and excel, ensuring their retention and preparing them to meet future challenges with confidence and resilience.

1. Lifelong learning

Lifelong learning is the ongoing, voluntary and self-motivated pursuit of knowledge for either personal or professional reasons.

In today's rapidly evolving world, driven by new technologies, digitization, and changing career landscapes, workforce flexibility is essential. At Belfius, we believe that fostering a culture of lifelong learning is the key to staying ahead of the curve and enhancing employability. By providing our staff with the resources and opportunities to continuously invest in their personal development, we are not only preparing them for future challenges but also nurturing a purposeful and sustainable organization

We are committed to providing our employees with every opportunity to thrive in a rewarding work environment. Our dedicated Learning & Development team is passionate about fostering growth and excellence by offering comprehensive training programs that encompass both hard and soft skills. By focusing on talent development, we empower our employees to reach their full potential and contribute meaningfully to our organization's success.

Belfius offers its employees a wide range of training programs that cover soft skills, technical skills and theoretical knowledge through the My Development portal. To ensure that learning is relevant and easily accessible for employees and to maximize the impact for Belfius, meticulous work has been done on restructuring the training offer and revamping the Learning platform. Our offer is now streamlined around 3 pillars. The first pillar - Foundations – consists of mandatory and basic training courses to comprehend the world of banking and insurance, which takes the employee to the heart of Belfius, to our unique Love culture. The second pillar – On Demand - organizes learning per job domain and offers learning modules based on career aspirations and self-awareness to facilitate internal mobility. The third pillar – On Invitation - proposes training programs for which certain target talent groups are personally invited, depending on the stage of their career.

	2023		2024	
	Belfius Bank	Belfius Insurance	Belfius Bank	Belfius Insurance
Average days of training per employee (incl. on-the-job, e-learning & mandatory training)	5.2	5.2	5.4	5.0
Average per female employee	5.5	5.3	5.4	4.9
Average per male employee	5.0	5.2	5.5	5.1

2. Career Management at Belfius: Building a Sustainable Future

At Belfius, our career management is designed to support employees in achieving a fulfilling and sustainable career

Enhancements in 2024: Raising the Bar on Career Development

This year, we have worked towards a more dynamic approach of our Career Development with the following advancements:

- Improved Career Processes: We have designed new tools and processes to better define expectations and integrate regular, actionable feedback into daily operations;
- Focus on Internal Mobility: A dedicated team was established to support employees exploring opportunities within the organization, ensuring clear pathways for growth and transition;

- Enhanced Learning Offer: Our learning and development offerings were expanded to better align with skills needed in current and future roles. Tailored programs now support both individual and team development goals.

These initiatives reflect our ongoing commitment to fostering a culture of growth, opportunity, and empowerment for every employee at Belfius.

In addition, continuous feedback is a cornerstone of Belfius' culture. Managers and teams are supported in delivering timely, constructive feedback to reinforce positive contributions and address improvement opportunities when and where necessary.

Internal mobility

One of the ways to achieve a sustainable career is to move to another role/function within the company (internal mobility). As an employer, Belfius offers a wide range of functions both in central and regional departments, and offers a wide variety of job opportunities to potential candidates.

To further support this, Belfius has established a dedicated team to assist employees in finding new job opportunities within the company.

In 2024, 276 employees transitioned into new roles through internal mobility within Belfius Bank, while 108 employees did the same within Belfius Insurance.

	2022		2023		2024	
	Belfius Bank	Belfius Insurance	Belfius Bank	Belfius Insurance	Belfius Bank	Belfius Insurance
Number of staff members who changed jobs within Belfius	360	110	277	74	276	108

3. Employee satisfaction & engagement

For the past decade, Belfius has been assessing employee satisfaction and engagement through its annual engagement survey. In 2024, satisfaction levels remained exceptionally high, with 91.7% of employees at the Bank and 92.3% at Insurance reporting being satisfied. Alongside, engagement also showed strong results, with 85,8% at the Bank and 85,2% at Insurance.

'Satisfaction indicator' scores from the Engagement Survey (Belfius Bank and Belfius Insurance)(1)

	2022	2023	2024
Belfius Bank	95.0%	93.5%	91.7%
Belfius Insurance	92.0%	93.9%	92.3%

'Engagement indicator' scores from the Engagement Survey (Belfius Bank and Belfius Insurance)(1)

	2022	2023	2024
Belfius Bank	87.5%	85.6%	85.8%
Belfius Insurance	83.9%	86.7%	85.2%

(1) All of the figures relating to staff are for the 'active' headcount (unless stated otherwise), i.e. excluding employees taking early retirement, on long-term sick leave, full-time time credits, on secondment.

4. Leadership

A new Leadership framework based on values and attitudes

Our values are at the core of our culture: customer orientation, authenticity, fairness and entrepreneurial spirit.

In 2024, we developed a new Leadership Model, to position the Belfius Leadership attitudes "Dare", "Care" and "Make it happen". We successfully conducted more than 50 LoveLeads sessions to implement our new leadership model, aimed at strengthening the collective leadership capacity across all levels of our organization. More than 1,300 employees have been trained and gave a 100% satisfaction score for the training. Additionally, around 1,100 employees participated in communication initiatives around our Culture, such as Let's Talk Unfiltered and Love Talks. More than 450 employees have received 360° feedback on their leadership attitudes through a LeadScan. This model is widely recognized and is an integral part of our corporate culture. In 2025, we will continue to focus on embedding leadership attitudes.

Inclusive company culture

1. Human rights

Belfius respects the rights of its employees and in turn expects them to respect Belfius' human rights values, as stated in Belfius' Human Rights Policy and the Code of Conduct, requiring an honest and ethical attitude at work.

Guided by Belgian law, human rights and labour regulations, Belfius formally forbids child and forced labour across all its activities. In line with the International Labour Organization's (ILO) conventions and local/EU regulations, Belfius demonstrates absolute respect and compliance for its employees' right to participate in collective bargaining and freedom of association. In 2024, 94.6% of Belfius Bank and Belfius Insurance employees were covered by collective bargaining agreements.

The CLA N° 5 of the NAR dated 24 May 1971 on the status of trade union delegation of personnel within companies, states that the representative workers' and employers' organisations express agreement with the following principles:

- workers recognize the necessity of the legitimate authority of the heads of enterprises and perform their work scrupulously;
- employers respect the dignity of workers and treat them fairly. They undertake not to hinder, either directly or indirectly, their freedom of association and the free development of their organization within the company.

Enterprise representatives and trade union delegates are under all circumstances expected to demonstrate a sense of justice, fairness and conciliatory spirit towards good labour relations in the company and are expected to combine their efforts to comply with social legislation, collective agreements and labour regulations.

The management body is responsible for setting the social strategy, policies and risk framework, as well as supervising and managing their implementation. Conversely, employees are bound to perform their assigned work with care and observe professional secrecy, particularly regarding confidential information that could cause damage to the company, both during and after the execution of the employment contract.

Discrimination of individuals on the basis of personal characteristics such as, amongst others, gender, skin colour, age, disability or sexual orientation, has no place in Belfius' corporate culture. This is enshrined in our Anti-Discrimination Policy. Belfius applies a zero-tolerance policy towards violence in the workplace including verbal, physical and sexual harassment.

Belfius respects the privacy of employees and acknowledges that data privacy issues are human rights issues, falling under the "S" of ESG. According to Human Rights Watch, comprehensive data protection laws are essential in protecting human rights. The right to privacy, but also many related freedoms, depend on the ability to make choices regarding how and with whom information is shared. Compliance with Global Data Protection Regulation (GDPR) is a crucial aspect in the processes to guarantee privacy and protection of personal data.

2. A committed approach to Diversity, Equity, and Inclusion (DEI)

Belfius takes a proactive and deliberate approach to Diversity, Equity, and Inclusion (DEI), fostering a culture that promotes equal opportunities, fair pay, and a strong sense of belonging for all employees.

That's why DEI is one of our core values, not only shaping our internal policies but also contributing an inclusive Belgian society.

Since 2015, Belfius has been committed to build an ever more inclusive environment.

This comprehensive strategy ensures that Belfius continues to evolve as an inclusive organization, embracing diversity in all its forms: Gender, generation, sexual orientation, origin, (dis)abilities, and more.

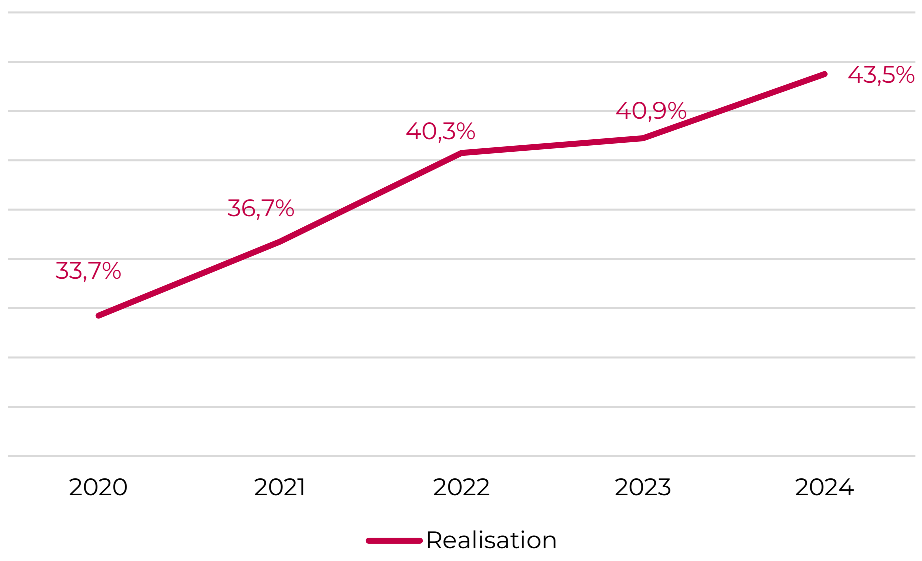
As a signatory of the Inclusive Panels Charter, Belfius reinforces its commitment to diverse panel representation and fostering a sense of belonging. By joining the Inclusive March Challenge 2024, Belfius strengthens its commitment to an inclusive workplace, open dialogue on gender diversity, and concrete actions to support women in leadership.

In 2024, Belfius further developed its internal network:

- The six key areas of our strategy are led by volunteer members with expertise in their respective fields. Supported by at least one member of the executive committee of Directors, these initiatives focus on promoting diversity, equity, and inclusion. The streams include Origin, Gender, LGBTQIA+, Generation, Abilities, and Profile & Skills, ensuring a holistic approach to creating an inclusive environment where everyone feels valued and supported. More than 10 members are directly engaged in the day to day operations;
- Belfius has set up a Diversity & Inclusion Room, providing a space for employees to engage in conversations about diversity and inclusion, share insights, and explore related information supports.

Belfius is gradually establishing a better gender balance at all levels of the organization. The average number of women in managerial positions) evolved positively in 2024, surpassing the initial target of 42.5% to reach 43.5%.

Arithmetic average BB & BI weight female managers



Belfius supports:

- A gender-neutral and non-discriminatory remuneration policy, ensuring equal access to all positions within the company, regardless of gender;
- A uniform remuneration system within each employee category and guarantees equal pay for equal responsibilities and experience;

- Annual monitoring, evaluation, and reporting on salaries, promotions, and performance assessments within the relevant governing bodies.

In 2023, the unadjusted pay gap stood at 14% for Belfius Insurance and 11% for Belfius Bank. The adjusted pay gap, which accounts for factors such as seniority, function level, education, and employment percentage, was just 1% for both entities, confirming that employees receive the same salary under the same conditions, regardless of gender.

Additionally, a comprehensive **parental leave** policy designed to support employees at every stage of their professional and personal lives as part of Belfius' broader DEI strategy.

Belfius Bank

	2023			2024		
	Total	Male	Female	Total	Male	Female
Total number of employees entitled to parental leave	1,120	628	492	1,174	641	533
Total number of employees who took parental leave	163	67	96	205	81	124
Total number of employees who returned to work after parental leave ended	161	66	95	202	80	122
Total number of employees who took parental leave in the year and are still employed today	159	65	94	200	80	120
Retention rate of colleagues who took parental leave	98%	97%	98%	98%	99%	97%

Belfius Insurance

	2023			2024		
	Total	Male	Female	Total	Male	Female
Total number of employees entitled to parental leave	433	203	230	438	197	241
Total number of employees who took parental leave	73	23	50	85	25	60
Total number of employees who returned to work after parental leave ended	71	22	49	84	25	59
Total number of employees who took parental leave in the year and are still employed today	69	21	48	84	25	59
Retention rate of colleagues who took parental leave	95%	91%	96%	99%	100%	98%

Finally, the **Belfius Young Community** (BYC) brings together employees under the age of 36 to support them in the early years of their careers. Through its activities, the community contributes to broadening the role of young employees so that they can leave their mark on Belfius' corporate culture.

Strong focus on health and wellbeing

By prioritising health and wellbeing regardless of circumstance, individuals can improve their overall quality of life and be better equipped to handle the challenges that they may face.

Belfius attaches great importance to the general wellbeing, safety and health – both physical and mental – of all its staff. Welfare, safety and health concern us all and is a right for each and every one of us.

1. Occupational health and safety management system

Belfius has a **health and safety policy** as specified by the Wellbeing Law of 1996 and its executive decrees (Codex Wellbeing at Work). It requires the development of a policy that aims to prevent accidents at work and occupational illnesses and specifies the relationship between people and work so that better attention is paid to a more holistic view of its workforce.

Belfius employs a dynamic **risk management system** that covers the following seven wellbeing domains: occupational safety, ergonomics, occupational hygiene, occupational health, environmental impact on employees, psychosocial aspects and the embellishment of workplaces, as well as the (potential) interactions between these domains. The risk management system enables prevention planning and the implementation of policies, in accordance with the Deming Principle (Plan-Do-Check-Act).

The prevention policy takes into account a number of specific government-issued legal and regulatory requirements, such as the designation of an internal health & safety adviser, the affiliation to an external health & safety service, the Committee for Prevention and Protection at Work, emergency procedures (first aid, fire, etc.) and accident prevention, as well as psychosocial and ergonomic risks.

Belfius also works with contractors, third parties, temporary workers and trainees. These persons are considered equal to internal employees under the wellbeing law and therefore have the same rights and obligations.

2. Hazard identification, risk assessment and incident investigation

A job risk analysis exists for all internal employees. It is carried out by the internal Health & Safety department and the occupational physician. The result of this analysis determines whether the employee should have a medical examination, follow specific trainings, be supplied with personal protection equipment, etc. The results of this analysis are reviewed on a yearly basis and adjustments are carried out if needed. Every employee has the right and duty to report an unsafe situation and also has the right to suspend work if they consider it too dangerous. An internal employee can do this by informing their supervisor, or by contacting the Health & Safety service. Legislation protects employees against possible reprisals. The external workforce has the same duties, rights and protections in reporting unsafe situations under wellbeing legislation.

For internal employees, a root cause analysis is performed for each accident (via an insurance declaration tool). Based on this analysis, corrective measures are determined to avoid a similar incident/accident in the future. For the external workforce, accident investigations are carried out by the third-party employer. These provide Belfius with the necessary information so that any preventive measures can be taken. At least once a year, third parties are obliged to provide Belfius with a list of all incidents that have occurred. In the case of serious accidents, Belfius has the right to participate in the Root Cause Analysis.

As a service provider, Belfius' most significant risks lie in the areas of psychosocial and ergonomic considerations for internal employees. Contractors, due to the nature of their work, may interact with increased technical installations, such as in the case of structural maintenance. To date, there have been no serious industrial accidents recorded involving contractors. Through active contractor management, Belfius makes continuous efforts to facilitate necessary information exchanges with a view to preventively identify risks and minimise them by implementing all essential measures.

Belfius conducts regular risk assessments for various aspects, including psychosocial (2019, 2021, 2022, 2023, 2024), ergonomics (2016, 2017, 2022), indoor climate (2021, 2022, 2023, 2024), fire & safety (2021, 2022, 2023) and job functions (2016, 2021, 2023, 2024). The bank often employs participatory risk analysis methods, allowing every employee to be involved and contribute to the identification of risks through a broad, anonymous employer report. In addition, all employees have the opportunity to suggest initiatives and areas of improvement. The findings and recommendations from these risk analyses are translated into actionable plans. Both the results and plans are presented and monitored by the Committee for Prevention and Protection at Work.

3. Health and Safety organisation at Belfius

The Committee for **Prevention and Protection at Work** aids in enforcing legal and regulatory provisions concerning employee wellbeing at work. Workers' representatives in this committee, representing all employees (white-collar and blue-collar workers), are elected every four years during social elections and are convened whenever necessary.

In 2024, ten meetings were conducted for Belfius Bank and 12 for Belfius Insurance. These meetings formally covered topics such as work safety, employee health protection, psychosocial elements (psychosocial hazards, stress, workplace violence, harassment or sexual harassment), ergonomics, occupational hygiene, workplace beautification and environmental measures impacting wellbeing at work.

Additionally, several prevention advisors are available, including one specializing in psychosocial aspects. At Belfius, every prevention advisor doubles as a confidentiality advisor and is therefore bound by professional secrecy. The Committee for Prevention and Protection at Work also approves these individuals.

Belfius disseminates ample wellbeing information via its Intranet. Employees can find content on physical fitness, mental resilience, work safety, optimal work environment, healthy lifestyle and training, as well as a contact page for Health & Safety support through internal communication channels.

Belfius requires all employees to undertake a Health & Safety e-learning programme and participate in an evacuation exercise or fire drill. First aid training is provided to the first aid team and fire training is given to the fire intervention team. Optional training includes psychosocial training (such as mindfulness and efficient stress management) and automated defibrillator training.

Most Belfius employees do not interact with customers directly. For those who do however, the primary risk is aggression. To assist, additional security personnel, as well as training on managing aggression and aggressive customers, is provided.

Annual reports on health and wellbeing policies and actions, along with figures (such as absenteeism, engagement, PBT-score, etc.) relative to external sectoral and national benchmarks, are presented to the Board of Directors.

4. Investing in well-being

Belfius has been following a structured approach to employee health and wellbeing for several years. They can find support internally from the psycho-social team, but also externally through an Employee Assistance Programme (EAP).

The EAP provides free external assistance, complementary to the internal prevention services. The service is accessible 24/7, remotely or via a personal interview, is fully confidential and is available to employees and their families for any problem (psychological, relational, financial, legal, practical work /life balance support etc.), whether private or professional in nature. In 2024, 133 Belfius Bank & Insurance employees (for 193 cases) called on the EAP.

In addition, Belfius is also affiliated to an external prevention service, Idewe, which has more than 1,000 qualified employees providing support in seven wellbeing domains, as stipulated in the legislation. They support Belfius for around 1,800 hours per year, the largest number of hours going to medical examinations and performing risk analyses in all domains (safety, ergonomics, psychosocial).

Within Belfius Bank, a free medical check-up is offered every two years from the age of 40. At Belfius Insurance, the check is offered to all employees every two years for employees under the age of 50 and annually from the age of 50.

Additionally, Belfius continuously invests in other aspects of wellbeing, with a variety of initiatives supporting the physical and mental wellbeing of our employees. Some examples include:

- The fitness center to facilitate exercise during or after work hours. Today, more than 900 employees are fitness members;
- Since April 2024, Belfius has entered into a new partnership to offer a healthy and varied catering service to employees working at the headquarters, including takeaway meals and snacks;
- Belfius also organizes keynotes several times a year with external speakers on topics such as disconnection or sleep to inspire employees.

5. Work-related issues

At Belfius Bank and Belfius Insurance, there were 19 accidents at work in 2024, 49 of which occurred whilst commuting, with no fatalities.

	2023		2024	
	Belfius Bank	Belfius Insurance	Belfius Bank	Belfius Insurance
Total number of employees with work-related injuries	36	5	53	15
Of which fatalities	0	0	0	0
Of which a workplace accident	12	1	14	5
Of which commuting	24	4	39	10

Specific guidelines are communicated to minimize work-related injuries. These include reporting an unsafe situation, creating an optimal working environment, detailed safety instructions and recommendations for safe commuting, as well as detailed emergency procedures and/or descriptions of evacuations.

In addition to the hardship caused to employees, work-related accidents recorded in 2024 represented a loss of productivity. This loss is calculated by the quotient of the number of hours of incapacity in the event of an accident and the total number of performable hours. Only employees on the payroll are taken into account.

	2023		2024	
	Belfius Bank	Belfius Insurance	Belfius Bank	Belfius Insurance
Performable Hours (in thousand)	8,482	2,183	8,992	2,263
Work accident (expressed in thousands of hours)	4.2	1.1	4.6	1.8
Loss of productivity	0.050%	0.050%	0.050%	0.080%

Over the past three years, absenteeism at Belfius has remained relatively stable. In 2024, absenteeism has slightly increased, both short-term (less than 1 month) and long-term (between one month and a year).

Absenteeism

	2022	2023	2024
Belfius Bank	4.61%	4.46%	4.80%
Belfius Insurance	5.51%	5.44%	5.97%

Remuneration at Belfius

1. Employee benefits

Employee benefits are designed to provide employees with financial and non-financial support that can help to improve their overall quality of life and job satisfaction.

The compensation and benefits offered to employees vary across different entities within the group. On the whole, employees at Belfius Bank and Belfius Insurance are entitled to benefits including, but not limited to, pension plans, life and health insurance, disability and invalidity coverage, parental leave, meal vouchers and a cafeteria plan, alongside a.o. mobility options such as car lease. Differentiation of benefits for employees based on the type of employment contract is possible:

- in principle, the same benefits apply for part-time employees as for full-time employees, apart from the fact that some are calculated on a pro rata basis, depending on the percentage of their work regime (e.g. salary, premiums, etc.);
- for employees on fixed-term contracts, some benefits do not apply. Those are mainly linked to the cafeteria plan and lease contracts. Benefits where the leasing period is longer than the duration of the fixed-term contract do not apply for fixed-term contract employees.

2. Senior management

Concerning remuneration policies for members of the highest governance body and senior executives, Belfius Group aims to have a single, overall remuneration policy for all entities. This remuneration policy fully applies to Belfius Bank and Belfius Insurance. With regards to subsidiaries and, more specifically, to Belfius Asset Management, the same basic principles apply. The specific nature of the subsidiary, in particular its size, specific regulations and the company's impact on the risk profile of the Belfius Group, must always be taken into account.

Process of defining remuneration

The Belfius Group's remuneration committee prepares the remuneration policy of the entities belonging to Belfius Group. The resulting recommendations are submitted for decision to the respective Boards of Directors.

The policy may be revised at any time pursuant to a decision of the Board of Directors at the proposal of the Remuneration Committee, including in the event of a change in legislation relating to fiscal, social and accounting law, a change in corporate governance rules, or a change in the applicable legal and regulatory framework.

Depending on the activity and level of seniority in the position, Belfius Group positions the remuneration of employees to whom the remuneration policy applies in relation to their peers. The positioning is therefore done in relation to a reference market.

By means of an endorsement or decision by the Board of Directors of the company concerned, targeted measures may be considered in certain Belfius Group entities when significant anomalies are identified in order to enable Belfius Group to attract the missing necessary talent, or to retain and reward the talent already present.

Structure of remuneration

Any type of remuneration may consist of:

- A fixed component, which constitutes the largest part of the remuneration. This includes the fixed salary, a role-specific premium (provided the employee continues in the same position), group insurance allowance (if legal conditions are met), fixed reimbursement for out-of-pocket expenses, healthcare insurance and a company car;
- A performance-related variable component that comprises additional payments that are linked to predefined performance criteria to retain and motivate existing staff, as well as to be able to recruit new talent in line with market practices.

The performance-related remuneration is made up of three parts that are assessed separately based on a number of financial and non-financial, quantitative or qualitative criteria.

- Group and entity share: this share is common to all and is calculated based on indicators taken into consideration by the Board of Directors at the proposal of the Remuneration Committee;
- Business share: the business share is assessed individually in the light of the objectives allocated for the coming year;
- Individual share: the individual share is assessed based on the objectives for the year in question, based on financial and qualitative criteria, such as management skills, the way in which the person in question took part in the development or practical implementation of the business plan for his or her department and compliance with the mission of the Belfius Group.

Belfius also encourages the adoption of Belfius' sustainability values by its managers through their annual variable remuneration. Non-financial qualitative criteria such as own operations' carbon emissions, leadership development, diversity and risk culture are included in the three sections mentioned above and represent at least one third of the total. This encourages further support for ESG considerations in decision-making.

In the event that Belfius Group experiences a potential consolidated loss, or a significant drop in results or other adverse situation, the group & entity and business shares of the performance-related remuneration may be reduced to zero. In addition, the entire performance-related remuneration may be reduced to zero if the individual assessment falls below a certain percentage, or if the results or other circumstances in which Belfius Group finds itself are so severe that the Board of Directors, on the advice of the Remuneration Committee, is obliged to bring the entire performance-related remuneration to zero.

Besides legislative and regulatory provisions, variable remuneration clawbacks can occur in various situations, such as active participation in fraud or issues related to company performance or risk.

If a signing-on payment were to be made by way of compensation for a loss of variable remuneration allocated by the previous employer, this payment must reflect the long-term interests of the company and must meet all requirements regarding variable remuneration, in particular with regards to deferment, retention, payment in instruments and clawback rules. Non-compensatory signing-on payments may only be allocated once and only if the company has a solid capital base.

Severance pay encompasses not just dismissal or redundancy compensation, but also any other payment given at the end of an employment relationship in any form, including non-competition payments.

FINANCIAL RESULTS

Preliminary notes to the consolidated financial statements

1. Changes to the scope of consolidation

Belfius Insurance acquired a 100% stake in the real estate company Renouv O (investing in an office building in Belgium) in January 2024 for a total amount of EUR 15 million.

In August 2024, Jaimy, a subsidiary of Belfius Insurance, acquired Ajusto from ENGIE. Ajusto owns a digital platform that offers similar services as Jaimy. With this transaction, Jaimy further consolidates its presence on the home repair and renovation market. The company is consolidated using the simplified consolidation method in 2024.

In August 2024, Belfius Bank sold its minority interest (47.45%) in the capital of Cyclis Bike Lease (that was consolidated using the equity method). The collaboration between Belfius and Cyclis Bike Lease will continue for bike leasing.

Belfius Bank acquired a 100% stake in the real estate company Phormio in November 2024.

In December 2024, Belfius Part, a company consolidated using the simplified consolidation method, was liquidated.

In the course of 2024, Belfius liquidated DSFB, a special purpose vehicle for securitization, and Wood Gardens, a real estate company.

2. Fundamentals of the consolidated financial statements

The consolidated financial statements of Belfius are prepared on a going concern basis in accordance with the International Financial Reporting standards as adopted by the EU.

Analysis of the consolidated balance sheet

Summarised consolidated balance sheet

(In millions of EUR)	31/12/23	31/12/24	Evolution
TOTAL ASSETS	179,179	187,457	8,278
Of which			
Cash and balances with central banks	20,487	22,260	1,772
Loans and advances due from credit institutions	5,274	4,496	(778)
Loans and advances	114,531	119,590	5,059
A Measured at amortised cost	109,762	114,973	5,212
B Measured at fair value through other comprehensive income	4,181	4,132	(49)
C Measured at fair value through profit or loss	588	485	(104)
Debt securities & equity instruments	27,924	29,973	2,050
A Measured at amortised cost	13,522	14,402	880
B Measured at fair value through other comprehensive income	8,719	9,558	839
C Measured at fair value through profit or loss	1,507	1,468	(39)
D Measured at fair value through profit or loss - unit linked products	4,176	4,546	369
Derivatives	5,321	5,286	(35)
TOTAL LIABILITIES	166,960	174,624	7,664
Of which			
Cash and balances from central banks	1,430	0	(1,430)
Credit institutions borrowings and deposits	3,912	2,314	(1,598)
Borrowings and deposits	104,000	108,663	4,662
A Measured at amortised cost	103,980	108,644	4,663
B Measured at fair value through profit or loss	20	19	(1)
Debt securities issued and other financial liabilities	36,018	41,453	5,435
A Measured at amortised cost	23,603	28,317	4,714
B Measured at fair value through profit or loss	8,239	8,590	352
C Measured at fair value through profit or loss - unit linked products	4,176	4,546	369
Derivatives	7,229	6,505	(725)
Liabilities from insurance/reinsurance contracts	11,405	11,787	382
Subordinated debts	1,778	2,320	542
TOTAL EQUITY	12,219	12,833	614
Shareholders’ core equity	11,491	12,195	704
Gains and losses not recognised in the statement of income	193	(8)	(201)
Total shareholders' equity	11,684	12,187	503
Additional Tier-1 instruments included in equity	497	601	104
Non-controlling interests	38	46	8
TOTAL LIABILITIES AND EQUITY	179,179	187,457	8,278

Total assets increased by EUR 8.3 billion, or 4.6%, from EUR 179.2 billion for the year ending 31 December 2023, to EUR 187.5 billion as of 31 December 2024. The total assets are composed of EUR 170.1 billion for the Belfius Banking Group (compared with EUR 162.7 billion at 31 December 2023) and EUR 17.4 billion for the Belfius Insurance Group (compared with EUR 16.5 billion at 31 December 2023). These amounts represent the contribution of the Banking and Insurance Groups to the consolidation scope and are different from their respective stand-alone total assets.

1. Assets

The increase in total assets is particularly stemming from the loan portfolio (EUR +5.1 billion) thanks to higher outstanding volumes in mainly mortgage loans and loans to business and corporate customers, in line with the continuous development of our commercial franchise. Furthermore, the increase in the bond and equity portfolio (EUR +2 billion) results from (mainly insurance and liquidity reserves linked) investments in corporate and government bonds and shares, partially compensated by a decrease in fair values resulting from increased credit spreads and realised capital gains.

1.1. Cash and balances with central banks

Cash and balances with central banks increased by EUR 1.8 billion, or 8.7%, to EUR 22.3 billion (31 December 2023: EUR 20.5 billion) resulting from an increase in Belfius' deposit facility at the ECB. Belfius deposits part of its cash at the NBB/ECB within the framework of its liquidity management.

1.2. Loans and advances due from credit institutions

Loans and advances due from credit institutions decreased with EUR -0.8 billion, or -14.8%, to EUR 4.5 billion (31 December 2023: EUR 5.3 billion). The reduction stems from a decline in cash collateral of EUR 0.6 billion in line with the decrease in fair value of derivatives and term loans of EUR 0.3 billion, partially offset by an increase in reverse repurchase agreements of EUR 0.1 billion.

1.3. Loans and advances

Loans and advances increased by EUR 5.1 billion, or 4.4%, to EUR 119.6 billion (31 December 2023: EUR 114.5 billion).

Two types of business models can be distinguished within Belfius group. The loan portfolios within the banking group are managed within a business model whose objective is to “hold to collect” contractual cash flows until maturity apart from certain positions that were classified as “hold to collect and sell”. The loan portfolio of the insurance group are managed within a business model whose objective is to “hold to collect and sell”.

An increase in loans and advances measured at amortised cost of EUR 5.2 billion can be noted compared to 31 December 2023 stemming from the continuous development of the commercial franchise of Belfius Bank.

Loans and advances measured at fair value through other comprehensive income decreased by EUR -0.1 billion compared to 31 December 2023 due to a decreased production of mortgage loans at Belfius Insurance in line with its investment framework, partially compensated by positive fair value adjustments resulting from decreased interest rates.

Certain other loans do not pass the SPPI-test and are therefore measured at fair value through profit or loss. These mostly relate to loans to the public and social sector with specific structured interest rate features. The related outstanding volume decreased by EUR -0.1 billion to EUR 0.5 billion end of December 2024, as a result of repayments, restructurings to loans passing the SPPI-test, and negative fair value adjustments.

1.4. Debt securities and equity instruments

The Belfius Banking Group contributed EUR 15.5 billion (31 December 2023: EUR 14.3 billion) to the debt securities and equity instruments portfolio and the Belfius Insurance Group contributed EUR 14.5 billion (31 December 2023: EUR 13.6 billion).

The debt securities measured at amortised cost increased by EUR 0.9 billion, or 6.5%, to EUR 14.4 billion (31 December 2023: EUR 13.5 billion) resulting from investments in both government and corporate bonds in the liquidity bond portfolio held by Belfius Bank, partially offset by redemptions and the negative impact of fair value hedge revaluations on hedged items.

Furthermore, Belfius sold EUR 120.7 million bonds out of the hold to collect portfolio. These sales are considered as infrequent sales or sales due to an increase in credit risk and are therefore consistent with the hold to collect business model. The resulting capital gains amounting to EUR 15 million are included in the statement of income in the line “impairments on financial instruments and provision for credit commitments”.

The financial assets measured at fair value through other comprehensive income increased by EUR 0.8 billion, or 9.6%, to EUR 9.6 billion (31 December 2023: EUR 8.7 billion). An increase of EUR 0.8 billion can be observed within the bond portfolio of Belfius Insurance resulting from investments in government and corporate bonds to cover the life insurance obligations, partially offset by disposals, mainly for duration gap management purposes. Furthermore, a decrease in fair value of EUR -0.1 billion can be observed due to widened credit spreads (mainly on French and German government bonds) and realisations of capital gains. On the other hand, equity instruments increased by EUR 0.2 billion resulting from new investments, while the fair value on equity instruments decreased with EUR -0.1 billion due to realisations of capital gains and market evolutions.

Debt and equity instruments measured at fair value through profit or loss remained stable at EUR 1.5 billion (31 December 2023: EUR 1.5 billion) mainly due to some disposals in the investment fund portfolio at Belfius Insurance, offset by an increased temporary volume from the Financial Markets' activity.

Debt securities measured at fair value through profit or loss – unit linked (Branch 23) increased by EUR 0.4 billion, or 8.8%, to EUR 4.5 billion (31 December 2023: EUR 4.2 billion) mainly resulting from positive fair value adjustments (EUR 0.3 billion).

1.5. Derivatives

Derivatives remained stable at EUR 5.3 billion, compared to 31 December 2023. The total impact of the offsetting for derivatives concluded with LCH amounted to EUR 6.8 billion at the end of 2024, compared with EUR 7.1 billion at the end of 2023.

2. Liabilities

Total liabilities increased by EUR 7.7 billion, or 4.6%, to EUR 174.6 billion (31 December 2023: EUR 167.0 billion), essentially resulting from an increase in maturing deposits (term deposits measured at amortised cost: EUR +3.9 billion) and the longer term debt securities issued measured at amortised cost (EUR +4.7 billion), resulting from the changing customer deposits' profile in the current interest rate environment. In response to the maturity of the Government bond in September 2024, Belfius launched a product offering that enabled the collection of EUR 4 billion funding, including a term account and bond issuances. Note that in March 2024, Belfius repaid the remaining TLTRO III of EUR 1.4 billion.

2.1. Cash and balances from central banks

Cash and balances from central banks decreased by EUR -1.4 billion to EUR 0 (31 December 2023: EUR 1.4 billion), resulting from the repayment of Belfius' last TLTRO III.

2.2. Credit Institutions borrowings and deposits

Credit Institutions borrowings and deposits decreased by EUR -1.6 billion, or -40.9%, to EUR 2.3 billion (31 December 2023: EUR 3.9 billion), mainly as a result of a decrease in repurchase agreements (EUR -0.6 billion) and term deposits (EUR -0.5 billion) within Belfius' short-term liquidity management, and by a decrease in cash collateral received (EUR -0.5 billion).

2.3. Borrowings and deposits

Borrowings and deposits increased by EUR 4.7 billion, or 4.5%, to EUR 108.7 billion (31 December 2023: EUR 104.0 billion), resulting from an increase in term deposits (EUR +3.9 billion) and saving deposits (EUR +1.1 billion), partially compensated by a decrease in demand deposits (EUR -0.7 billion). Furthermore, an increase in cash collateral (EUR +0.4 billion) can be observed. Note that in response to the maturity of the Belgian Government bond in September 2024, Belfius launched a product offering, including a term account, explaining the increase in term deposits.

2.4. Debt securities issued and other financial liabilities

Debt securities issued and other financial liabilities increased by EUR 5.4 billion, or 15.1%, to EUR 41.5 billion (31 December 2023: EUR 36.0 billion).

The debt securities measured at amortised cost increased by EUR 4.7 billion, or 20.0%, to EUR 28.3 billion (31 December 2023: EUR 23.6 billion), primarily as a result of issuances of non-convertible debt securities (EUR +4 billion), including the issuance of a Green Senior Preferred bond (EUR 0.75 billion), Senior Non Preferred bonds (EUR 1 billion), a 3 year Floating Rate Senior Preferred bond (EUR 0.75 billion) and bonds developed in accordance with the Belfius Social Bond Framework for which the net proceeds are used to finance social projects in Belgium (EUR 0.6 billion). Furthermore, covered bonds increased by EUR +0.3 billion (mortgage pandbrieven benchmark issue of EUR 0.5 billion) and certificates of deposit increased by EUR +0.3 billion.

Debt securities measured at fair value through profit or loss increased by EUR 0.4 billion, or 4.3%, to EUR 8.6 billion (31 December 2023: EUR 8.2 billion), resulting from issuances at Belfius Financing Company.

Debt securities measured at fair value through profit or loss – unit linked (Branch 23) increased by EUR 0.4 billion, or 8.8%, to EUR 4.5 billion (31 December 2023: EUR 4.2 billion), mainly stemming from positive fair value adjustments (EUR 0.3 billion).

2.5. Derivatives

Derivatives decreased by EUR-0.7 billion, or -10.0%, to EUR 6.5 billion (31 December 2023: EUR 7.2 billion), mainly due to the impact of lower interest rates and an increase in GBP rates. The total impact of the offsetting for derivatives concluded with LCH amounted to EUR 6.8 billion at the end of 2024, compared with EUR 7.1 billion at the end of 2023.

2.6. Liabilities from insurance/reinsurance contracts

The liabilities from insurance/reinsurance contracts increased by EUR 0.4 billion, or 3.3%, to EUR 11.8 billion, of which an increase in PAA (non-life activity and health collective branch) of EUR 6 million to EUR 1.14 billion (31 December 2023: EUR 1.13 billion) resulting from a general increase in the Non-Life portfolio, and the impact of the update of the indicative tables on the Best Estimate (EUR +19.6 million), compensated by a positive evolution of inflation. Furthermore, GMM (life activity and health individual branch) increased with EUR 366 million to EUR 10.6 billion (31 December 2023: EUR 10.3 billion) stemming from an increase in present value of future cash flows of EUR 275 million mainly resulting from interest accretion (EUR +210 million), a positive experience variance due to more renewals than expected on the short-term investment products (EUR +127 million) and a decrease of the discount rates (EUR +83 million). The non-financial assumptions update (EUR -73 million) and the profitable new business underwritten during 2024 (EUR -100 million) partially compensate. Note that the Contractual Service Margin (CSM) increased by EUR 121 million to EUR 892 million (31 December 2023: EUR 771 million).

2.7. Subordinated debts

Subordinated debts increased by EUR 542 million, or 30.5%, to EUR 2.3 billion (31 December 2023: EUR 1.8 billion) as a result of the issuance of EUR 500 million Tier 2 notes in March 2024.

3. Equity

Total equity increased by EUR 614 million, or 5.0%, to EUR 12.8 billion (31 December 2023: EUR 12.2 billion), attributable to an increase of EUR 704 million in shareholders' core equity, EUR 104 million additional Tier 1 instruments and EUR 8 million in non-controlling interests, partially compensated by the decrease of EUR -201 million in gains and losses not recognised in the statement of income.

The net asset value of Belfius amounts to EUR 12.2 billion (31 December 2023: EUR 11.7 billion).

3.1. Shareholders' core equity

Shareholders' core equity increased by EUR 704 million, or 6.1%, to EUR 12.2 billion (31 December 2023: EUR 11.5 billion). This increase results from the profit for the period of EUR 1,127 million and the realised capital gains on equity instruments that are recognised directly in retained earnings (EUR 33 million after tax, mainly at Belfius Insurance), partially offset by the dividend payment over full year 2023 results of EUR 440 million, the coupon payment on Additional Tier 1 of EUR -14 million after tax (considered as dividend under IFRS) and a realised capital loss (EUR -2 million) on the partial call of an additional Tier 1 instrument.

3.2. Gains and losses not recognised in the statement of income

Gains and losses not recognised in the statement of income decreased by EUR -201 million to EUR -8 million (31 December 2023: EUR 193 million). The contribution of the Belfius Banking Group amounted to EUR -19 million (decrease of EUR -87 million) and the Belfius Insurance Group to EUR 10 million (decrease of EUR -114 million).

The impact of interest rate evolutions on the insurance liabilities (Belfius applies the OCI option under IFRS 17) and Belfius Insurance's financial assets counterbalance each other in the gains and losses not recognised in the statement of income.

The fair value of debt instruments measured at fair value through other comprehensive income increased with EUR 3 million, or -0.9%, to EUR -350 million (31 December 2023: EUR -353 million) mainly resulting from an increase in fair value on the loan portfolio of Belfius Insurance resulting from decreased interest rates (EUR +70 million), almost entirely offset by a decrease in fair value on the bond portfolio (EUR -67 million). This evolution can be explained by negative fair value adjustments on government bonds due to increased credit spreads (mainly on French and German government bonds) and by the realisation of capital gains.

The fair value of equity instruments measured at fair value through other comprehensive income decreased by EUR -50 million, or -25.7%, to EUR 145 million (31 December 2023: EUR 195 million), resulting from the realisation of capital gains and negative market evolutions, partially offset by positive fair value evolutions on non-quoted shares.

Gains (losses) on cash flow hedges decreased by EUR -81 million to EUR -209 million (31 December 2023: EUR -129 million), due mainly to the evolution of basis spreads on derivative positions in GBP and USD.

The decrease of the remeasurement of the pension plans recognised in OCI (EUR -29 million, after tax) is mainly due to experience adjustments (EUR -14 million after tax), the return on plan assets (EUR -9 million after tax) and a decrease of the discount rate (EUR -6 million after tax).

The total (re)insurance finance component recognised in other comprehensive income decreased by EUR -45 million, or -12.8%, to EUR 308 million (31 December 2023: EUR 354 million) and is explained by the impact of the decrease in discount rate.

3.3. Additional Tier-1 instruments included in equity

Additional Tier-1 instruments included in equity increased by EUR 104 million, or 20.8%, to EUR 601 million (31 December 2023: EUR 497 million), resulting from the partial call of the outstanding AT1 for an amount of EUR 395 million followed by the emission of a new AT1 by Belfius Bank for an amount of EUR 500 million in October 2024. The call resulted in a realised loss of EUR -2 million which is recognised in equity.

Analysis of the consolidated statement of income

Summarised consolidated statement of income

(In millions of EUR)	31/12/23	Contribution Bank into group[1]	Contribution Insurance into group[1]	31/12/24	Contribution Bank into group[1]	Contribution Insurance into group[1]	Evolution
INCOME	3,141	2,718	423	3,259	2,801	458	118
Of which							
Net interest income	2,426	2,108	319	2,340	1,974	366	(87)
Net fee and commission income	779	760	19	831	809	22	52
Net insurance result	39	0	39	(41)	0	(41)	(80)
Net income from financial instruments at fair value through profit or loss	54	52	1	84	72	13	31
Net income on investments and liabilities	(7)	14	(22)	54	28	26	62
Net other income and expense	(214)	(247)	33	(136)	(160)	24	78
EXPENSES	(1,538)	(1,434)	(104)	(1,613)	(1,519)	(94)	(75)
NET INCOME BEFORE TAX AND IMPAIRMENTS	1,603	1,284	319	1,646	1,282	364	44
Impairments on financial instruments and provisions for credit commitments	(109)	(108)	(1)	(133)	(132)	(1)	(24)
Impairments on tangible and intangible assets	(1)	(0)	(1)	0	0	0	1
NET INCOME BEFORE TAX	1,493	1,175	317	1,513	1,150	363	20
Total tax (expense) income	(376)	(299)	(77)	(384)	(295)	(89)	(8)
Attributable to non-controlling interests	2	1	1	2	1	1	0
Net income group share	1,115	876	239	1,127	854	273	12

(1) Information based on non-audited figures

1. Income

Total income increased by EUR 118 million, or 3.8%, to EUR 3,259 million (31 December 2023: EUR 3,141 million). Belfius Banking Group contributed EUR 2,801 million (31 December 2023: EUR 2,718 million) and Belfius Insurance Group contributed EUR 458 million (31 December 2023: EUR 423 million).

1.1. Net interest income

Net interest income decreased by EUR 86.7 million, or -3.6%, to EUR 2,340 million (31 December 2023: EUR 2,426 million) despite a positive reinvestment rate effect, due to the shift from non-maturing to maturing deposits in response to an increase in interest rates, margin pressure on loans in a competitive Belgian loan market and abolition, since September 2023, of interest on minimum monetary reserves deposited at ECB.

The interest expense on TLTRO III funding from ECB/NBB central bank and accounted for in 2024 amounts to EUR -13 million (compared to EUR -126 million in 2023). Note that full repayment of TLTRO III has been made end of March 2024.

1.2. Net fee and commission income

Net fee and commission income increased by EUR 52.2 million, or 6.7%, to EUR 831 million (31 December 2023: EUR 779 million). The increase is mainly attributable to higher service fee income from asset management services (EUR +38 million) and advisory services and discretionary management (EUR +10 million) following an increase in net asset values explained by organic growth and positive market effects. Furthermore there is an increase in net commission income from insurance activity (EUR +6 million) explained by the launch of a new branch 21 product in Life and the organic growth in Non-Life. These positive impacts are partially compensated by a decrease in the net commissions earned on payment services (EUR -8 million) explained by the implementation of the mutualized ATM system ("Batopin") and a decrease in commission on issues and placements of securities (EUR -14 million) due to a decrease in debt and equity capital markets transactions in 2024 and the fee (EUR +7.6 million) recognized in 2023 in relation to the "Government bond".

1.3. Net insurance result

The net insurance result decreased by EUR 80.1 million, or -206.2%, to EUR -41 million (31 December 2023: EUR 39 million). The decrease is mainly related to activities measured under the GMM (life activity and health individual branch), going from EUR -81 million in 2023 to EUR -135 million in 2024 as a result of further refinement of actuarial models in the second half of 2023. The net insurance result for activities measured under the PAA (non-life activity and health collective branch) decreased from EUR 118 million in 2023 to EUR 95 million in 2024 mainly due to the impact of the update of the indicative tables, experience adjustments and an increase in claims due to the continued growth in the Non-Life portfolio, partially offset by an increase in insurance revenue due to the continued growth in the Non-Life portfolio and premium indexations. The net expense from reinsurance contracts increased by EUR 15 million, explained by an increase in reinsurance premiums as a result of the general increase in natural catastrophic events in the world and a limited amount of reinsurance recoveries due to higher-frequency and lower-severity weather related events in 2024.

1.4. Net income from financial instruments measured at fair value through profit or loss

Net income from financial instruments measured at fair value through profit or loss increased by EUR 31.0 million to EUR 84.5 million (31 December 2023: EUR 53.5 million).

Net trading income decreased by EUR -45 million to EUR 74 million end 2024. Note that this line includes the fair value changes of "economic hedges" (financial instruments that cannot be defined as accounting hedges under IFRS) for EUR -27.7 million (31 December 2023: EUR +25 million), including EUR -28 million fair value results on swaps economically hedging the accounting hedge ineffectiveness.

The net income from (non-trading) financial instruments mandatorily measured at fair value through profit or loss increased by EUR 38 million to EUR 11 million end 2024 resulting from the positive fair value evolutions of non-basic loans and bonds following a decrease in interest rates and positive market effects, despite additional fair value adjustments following stress in certain sectors.

The net income of hedge accounting increased by EUR 37 million to EUR -2 million end 2024 and was positively impacted, among other factors, by evolutions on certain basis spreads and basis risks.

The net result on economic hedges of the "result from (non-trading) financial assets mandatorily measured at fair value through profit or loss", and the "net result of hedge accounting", are both classified in the line "net trading income".

1.5. Net income on investments and liabilities

Net income on investments and liabilities increased by EUR 61.6 million, to EUR 54 million (31 December 2023: EUR -7 million).

In 2024, Belfius realised capital gains and losses on the sale of tangible fixed assets (EUR 7.2 million), mainly on the sale of several buildings housing bank agencies (EUR 5.5 million). Furthermore, Belfius Bank realised a capital gain on the sale of its minority stake in Cyclis Bike Lease that was consolidated using the equity method (EUR 28.7 million). Belfius Insurance realised capital gains on the sale of bonds for ALM purposes in 2024 amounting to EUR 20 million.

In 2023, Belfius realised capital gains on the sale of tangible fixed assets (EUR 12.5 million), mainly on the sale of a building in Namen (EUR 1.5 million), Ghent (EUR 1.4 million) and on the sale of several buildings housing bank agencies (EUR 7.8 million). Furthermore, Belfius Insurance realised capital losses on the sale of bonds for ALM purposes in 2023 amounting to EUR -24 million.

1.6. Net other income and expenses

Net other income and expenses increased by EUR 78.0 million, or 36.4%, to a loss of EUR -136 million (31 December 2023: a loss of EUR -214 million).

Belfius recognised an expense of EUR -226 million in 2024 as levies, a decrease of EUR 59 million compared to 2023 thanks to the absence of a contribution to the Single Resolution Fund in 2024 as the target of the fund (1% of EU covered deposits) was reached. Note that Belfius has booked an amount of EUR 30.5 million related to Irrevocable Payment Commitments (IPC) for contributions to the Single Resolution Fund in its off-balance sheet as per 31 December 2024, as Belfius deems that no present obligation exists.

In addition, other income and expenses from asset finance activities increased by EUR 12.6 million, resulting from the increase in leasing contracts at Belfius Auto Lease.

2. Expenses

Expenses increased by EUR -74.8 million, or 4.9%, to EUR -1,613 million (31 December 2023: EUR -1,538 million), mainly due to an increasing workforce, salary indexations and the continued investments in technology.

Note that under IFRS 17 directly attributable costs to insurance contracts (EUR -221 million compared to EUR -202 million in 2023) are not recognised in the line “Expenses”, but are included in the present value of the insurance liabilities.

2.1. Staff expense

Staff expense increased by EUR -38.3 million, or 5.6%, to EUR -717 million (31 December 2023: EUR -679 million) due to a growing workforce and salary indexations.

2.2. General and administrative expense

General and administrative expense increased by EUR -23.8 million, or 4.6%, to EUR -541 million (31 December 2023: EUR -517 million), mainly related to continued investment in technology and external workforce to support our commercial growth and the impact of inflation.

2.3. Network costs

Network costs increased by EUR -11.0 million, or 4.9%, to EUR -235 million (31 December 2023: EUR -224 million), in line with wage drift and continued growth of the commercial franchise.

2.4. Depreciation and amortisation of fixed assets

Depreciation and amortisation of fixed assets increased by EUR -1.7 million, or 1.4%, to EUR -119 million (31 December 2023: EUR -117 million), driven by continued technology investments and the increase in IT assets (tangible and intangible) resulting from more insourced IT infrastructure services. As part of the yearly review, Belfius recognized accelerated depreciations in line with the revised useful life of internally developed software and ATMs given the rapid changes in technology and the implementation of the mutualized ATM system (“Batopin”).

3. Net income before tax and impairments

Net income before tax and impairments increased by EUR 43.6 million, or 2.7%, to EUR 1,646 million (31 December 2023: EUR 1,603 million). Belfius Banking Group contributed EUR 1,282 million (31 December 2023: EUR 1,284 million) and Belfius Insurance Group contributed EUR 364 million (31 December 2023: EUR 319 million).

4. Impairments

4.1. Impairments on financial instruments and provision for credit commitments

Impairments on financial instruments and provision for credit commitments increased by EUR -24.1 million to EUR -133 million (31 December 2023: EUR -109 million).

In 2023, with the Belgian economy showing resilience, the macroeconomic factors were adjusted positively, resulting in a reversal of provisions in stage 1 and 2. Furthermore, the underlying nature of the vulnerable exposures has shifted completely from “Covid-driven” to “Energy & Inflation linked”, which has led to a reassessment of these overlays and a partial reversal thereof. Next to that, a higher level of default inflows were noted during 2023, resulting in an increase in stage 3 impairments. Furthermore, Belfius realised EUR 20 million capital losses on the sale of bonds (measured at amortised cost) in the ALM portfolio for risk adjustment purposes. Overall, this resulted in a total of EUR -109 million impairments on financial instruments in 2023.

The 2024 impairments on financial instruments and provisions for credit commitments amounted to EUR -133 million and were composed of EUR -124 million allowances for the commercial activities of Belfius Banking Group, EUR -8 million allowances for the run-off portfolios of the Belfius Banking Group and EUR -1 million allowances for Belfius Insurance Group. The stage 3 impairments amounted to EUR -249 million for exposures in default, o.w. a limited number of names in run-off portfolios and some individual files in the Belgian corporate sector, as well as stage 3 provisions related to an increasing number of smaller files. Furthermore, Belfius realized EUR 15 million capital gains on the sale of bonds (measured at amortised cost) in the ALM portfolio.

The increase in stage 3 was partly offset by EUR +116 million reversals in stage 1 and 2, due to:

- reversal of part of the Belfius’ “Overlay for macroeconomic uncertainties and vulnerable exposures” for EUR +68 million. The scope of vulnerable exposures further evolved from "Energy and Inflation" driven exposures to sectors with risk concentrations (in terms of exposure and/or sector-specific risk profile); and
- migration of files from stage 2 to stage 3.

More detailed information is provided in the Credit Risk section of the management report.

4.2. Impairments on tangible and intangible fixed assets

Impairments on tangible and intangible assets decreased by EUR 0.9 million to EUR 0 million (31 December 2023: EUR -0.9 million).

In 2023, an impairment of EUR -0.5 million was recorded on intangible assets of Jane prior to its liquidation. In 2024 the reassessment didn’t result in specific impairments on tangible and intangible fixed assets.

5. Net income before tax

Net income before tax increased by EUR 20.4 million, or 1.4%, to EUR 1,513 million (31 December 2023: EUR 1,493 million). Belfius Banking Group contributed EUR 1,150 million (31 December 2023: EUR 1,175 million) and Belfius Insurance Group contributed EUR 363 million (31 December 2023: EUR 317 million).

6. Tax expense

The tax expense, including deferred taxes, increased by EUR -8.2 million, or 2.2%, to EUR -384 million (31 December 2023: EUR -376 million) as a result of the limitation of tax deductibility of the Belgian tax on credit institutions from 20% (in 2023) to 0% of the amount since 1st January 2024, partially offset by lower taxable income. Although net income before tax increased in 2024, taxable income decreased mainly stemming from the realisation of capital gains on shares and participations.

As such, an increase in the effective tax rate to 25.4% can be observed for 2024, compared with 25.2% for 2023.

Net deferred tax expense decreased by EUR 5.9 million to EUR -65 million (31 December 2023: deferred tax income of EUR -71 million), due mainly to temporary differences for impairments, valuation of insurance liabilities and fair value adjustments.

7. Net income group share

Total net income amounted to EUR 1,129 million. The net income attributable to Belfius amounted to EUR 1,127 million (31 December 2023: EUR 1,115 million).

8. Post balance sheet events

8.1. Dividend

The Board of Directors of 20 March 2025, has proposed to the General Assembly of 30 April 2025 an ordinary dividend of EUR 444.5 million in respect of the accounting year 2024, based on a pay-out ratio of 40% on the consolidated 2024 net result.

8.2. Capital and liquidity management

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

- issued private placements in Tier 2 for an amount of EUR 40 million on 2 January 2025. This is part of the refinancing of a call of a private placement, with the approval of the ECB;
- issued EUR 500 million of Senior Preferred notes in January 2025 with a 6-year maturity;
- gave notice in February 2025 that the entirety of the outstanding amount (EUR 104.6 million) of the Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities issued on 1 February 2018 will be called at their principal amount on 16 April 2025.

9. Solvency[6]

9.1. Solvency at Bank level

At the end of 2024, Belfius' CET 1 ratio amounts to 15.39%, a decrease of 56 bps compared to end of 2023. The CET 1 ratio takes into account the transitional add-back of IFRS9 provisions, end 2024 amounting to 3 bps (compared to 14 bps at the end of 2023).

The decrease in CET 1 ratio is the result of higher total regulatory risk exposure (-124 bps), partially compensated by positive effects from higher CET 1 capital (+68 bps).

CET 1 capital amounted to EUR 11,560 million, compared with EUR 11,087 million at the end of 2023. The increase in CET 1 capital of EUR 473 million resulted mainly from the increase in regulatory core own funds by EUR 704 million partially offset by a decrease of "gains and losses not recognized in the statement of income" for EUR 121 million and a decreased add-back of IFRS 9 provisions thanks to the transitional arrangements stated in the CRR 2 for EUR 64 million.

At the end of 2024, regulatory risk exposure of Belfius amounted to EUR 75,094 million, an increase of EUR 5,591 million compared to EUR 69,504 million at the end of 2023.

The credit risk exposure amount including counterparty credit risk increased by EUR 5,842 million to EUR 60,133 million mainly due to the commercial growth (EUR 3.2 billion) particularly in the corporate segment, as well as to regulatory changes (EUR 3 billion) mainly driven by the model landscape review consisting of the implementation of the standardized model for some low default portfolios and non-retail models update.

The operational risk exposure amount increased with EUR 325 million, in line with the increase in income.

The risk exposure amount for Danish Compromise increased by EUR 261 million to EUR 8,683 million, mainly as a result of the increased equity value of Belfius Insurance following the increases in reserves, net income and reserves OCI.

The market risk exposure amount decreased by EUR 731 million, thanks to the removal of some add-ons, the general evolution in VaR levels, the evolution in equity positions and some unwinds.

At the end of 2024, the Tier 1 capital ratio amounted to 16.06%, a decrease of 61 bps compared to the end of 2023.

The total capital ratio amounted to 18.62% at the end of 2024, a decrease of 52 bps compared to the end of 2023.

More detailed information is provided in the Capital Management section of this annual report.

[6] Unaudited.

9.2. Solvency at Insurer level

At the end of December 2024, the Solvency II ratio of Belfius Insurance was 209% before the foreseeable dividend, and 196% after dividend. This represents a minor increase from the previous year's 195%, attributed to an increase in SCR more than fully compensated by the rise in Available Financial Resources (AFR) after the foreseeable dividend of EUR 136 million.

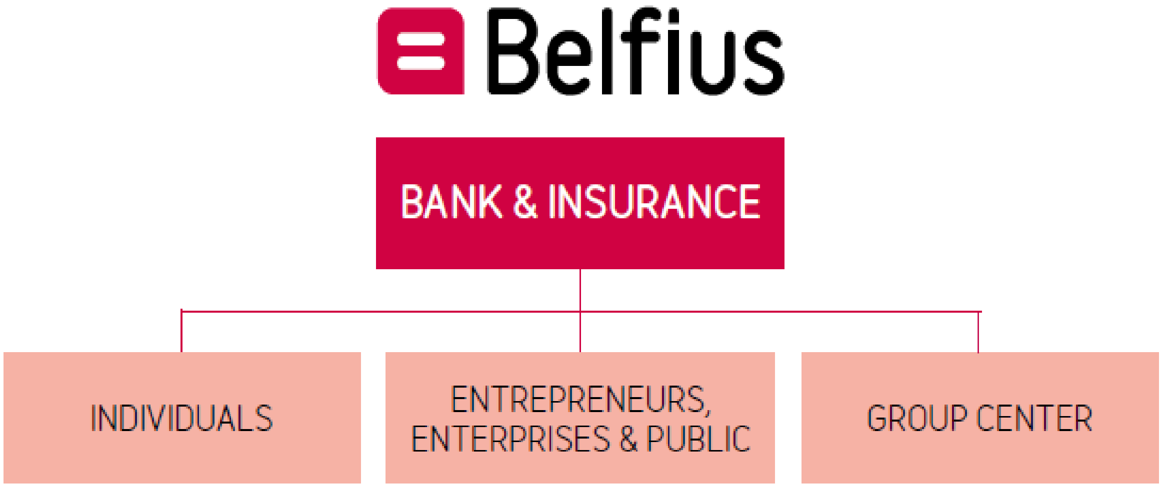
More detailed information is provided in the Capital Management section of this annual report.

SEGMENT REPORTING

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

- Individuals (IND), managing the commercial relationships with individual customers both at bank and insurance level. Within the Individuals segment, we distinguish 4 subsegments: Savers, Investors, Private and Wealth;
- Entrepreneurs, Enterprises and Public (E&E&P), managing the commercial relationships with public and social sector, business and corporate clients both at bank and insurance level;
- Group Center (GC), containing the residual results not allocated to the two commercial segments. This mainly consists of results from Bonds and Derivatives portfolio management.

Please refer also to the operating segment reporting in the financial statements. Some figures may not add up due to rounding.



Key figures of the segment reporting

Balance Sheet

	31/12/2023		
(in billions of EUR)	Assets	Liabilities	Equity
Individuals (IND)	57	81	2
Entrepreneurs, Enterprises & Public (E&E&P)	68	50	6
Group Center (GC)	54	36	4
TOTAL	179	167	12
of which banking group[1]	163	151	12
of which insurance group[1]	17	16	0

	31/12/2024		
(In billions of EUR)	Assets	Liabilities	Equity
Individuals (IND)	60	89	2
Entrepreneurs, Enterprises & Public (E&E&P)	71	49	7
Group Center (GC)	57	37	4
TOTAL	187	175	13
of which banking group[1]	170	158	12
of which insurance group[1]	17	17	1

(1) Note that the assets, liabilities and equity represent the contribution of the Belfius Insurance and Belfius Bank groups to the consolidated balance sheet.

The assets and liabilities allocated to Individuals (IND) and Entrepreneurs, Enterprises and Public entities (E&E&P) reflect the commercial activities of those business lines. Where IND shows an excess of funding, E&E&P is more asset driven. As a whole, the commercial balance sheet shows a funding excess with a sound 92% loan to deposit ratio at the end of December 2024.

Note that there are no internal sales or purchases between segments, the assets and liabilities within a segment are those generated and originated by the business lines.

The equity allocated to Individuals and E&E&P is a normative regulatory equity, which is derived from the regulatory risk exposures of these business lines multiplied by 13.5% (Belfius' minimum operational CET 1 ratio).

Key figures of the segment reporting

Statement of income

(in millions of EUR)	2023			
	Individuals	Entrepreneurs, Enterprises & Public	Group Center	Total
INCOME	**2,359**	**1,566**	**125**	**4,050**
INSURANCE SERVICE EXPENSES ADJUSTED[1]	**-535**	**-172**	**0**	**-708**
COSTS	**-1,103**	**-560**	**-77**	**-1,740**
of which directly attributable costs from insurance	-153	-49	0	-202
GROSS OPERATING INCOME	**721**	**834**	**47**	**1,603**
Cost of Risk	-12	-72	-25	-109
Impairments on (in)tangible assets	-1	0	0	-1
RESULT BEFORE TAX	**708**	**762**	**22**	**1,493**
Tax (expense) income	-184	-186	-7	-376
NET INCOME AFTER TAX	**524**	**577**	**16**	**1,117**
Non-controlling interests	1	0	1	2
NET INCOME GROUP SHARE	**523**	**577**	**15**	**1,115**
of which banking group[2]	323	537	15	876
of which insurance group[2]	199	40	0	239

(in millions of EUR)	2024			
	Individuals	Entrepreneurs, Enterprises & Public	Group Center	Total
INCOME	**2,445**	**1,762**	**34**	**4,241**
INSURANCE SERVICE EXPENSES ADJUSTED[1]	**-591**	**-170**	**0**	**-761**
COSTS	**-1,171**	**-576**	**-86**	**-1,834**
of which directly attributable costs from insurance	-168	-52	0	-221
GROSS OPERATING INCOME	**683**	**1,016**	**-52**	**1,646**
Cost of Risk	-20	-106	-7	-133
Impairments on (in)tangible assets	0	0	0	0
RESULT BEFORE TAX	**663**	**910**	**-60**	**1,513**
Tax (expense) income	-186	-218	20	-384
NET INCOME AFTER TAX	**477**	**692**	**-40**	**1,129**
Non-controlling interests	1	0	1	2
NET INCOME GROUP SHARE	**476**	**692**	**-41**	**1,127**
of which banking group[2]	268	629	-43	854
of which insurance group[2]	208	63	2	273

(1) Insurance Service Expenses Adjusted = Insurance Service Expenses + Net Reinsurance Result - directly attributable cost from insurance.
(2) Note that the statement of income represents the contribution of the Belfius Insurance and Belfius Bank groups to the consolidated statement of income.

Individuals (IND)

Business description Individuals

Belfius is a leading bank-insurer in Belgium, serving 3.4 million Individuals. It is renowned for its mobile banking services, with about 2.1 million active mobile users at the end of 2024. Belfius is the second largest provider of mortgage loans in the Belgian market, with a portfolio of EUR 46.9 billion in outstanding loans for Individuals. Belfius also holds a 17.6% market share in new mortgage loan production in 2024. Additionally, Belfius is one of the largest providers of savings and investment products in Belgium. Finally, within the individual insurance product category, Belfius holds 5.5% share of the non-life market and 8.1% share of the life market[7].

Belfius offers insurance products to Individuals through the Belfius Bank branch network, digital touchpoints and wealth managers, as well as through the tied agent network of DVV Insurance. It also offers insurance products through a direct distribution channel with Belfius Direct Insurance, the former Corona Direct. Elantis, also part of Belfius Insurance, offers mortgage loans and consumer loans through independent brokers, booked on the balance sheet of Belfius Insurance, Belfius Bank and a third-party bank.

1.1. Customer Segmentation

For Individuals, our segmentation is based on the customer's behaviour, aspiration and financial footprint, in terms of both loans and assets. This results in customers being subdivided into Savers, Investors, Private Banking and Wealth Management.

Savers and Investors

Clients are segmented into Savers and Investors, not based on their assets, but on behaviour. Savers are individuals who do little or no investing and who mainly seek a safe haven in their savings book. An Investor, on the other hand, is someone who mainly invests, has a certain amount of knowledge about investing and who has a minimum of EUR 7,500 of investments with Belfius.

Private Banking and Wealth Management

Clients in high-net-worth segments are subdivided based on their financial footprint. Private Banking starts with assets of at least EUR 500,000. Private members are assigned a dedicated Private Banker, are serviced through a network of 44 Private & Wealth Houses, and enjoy a wide range of exclusive services. These services are available to our Private Banking clients thanks to their Private Membership.

Wealth Management, with assets starting at EUR 2.5 million, is an invitation-only service model, where Wealth Members are assigned a dedicated Wealth Manager and a Wealth Assistant, who guide them and their families with a tailored approach to protect & grow their assets and transfer their legacy to next generations. Belfius offers specialized services to this segment, encompassing tailored investment solutions, exposure to alternative investments such as private equity or private debt, tailored lending services or Lombard lending, as well as lifestyle services such as exclusive travel services, conciergerie or extended protection & assistance.

Following successful transactions in private equity with Planet First Partners and BlackRock, we introduced a new asset class - private debt- into our offering in 2024 together with EuraZeo.

[7] Based on 2023 figures from Assuralia; 2024 figures not yet available.

2024 was a remarkable year for Belfius' Private and Wealth Management, characterized by a further growth in both client base and outstanding assets under management. We further reinforced our commitment and engagement towards our clients through various inspiring events, such as the prestigious BAM! event in collaboration with Alan & Mistral AI. Our personalized and holistic approach has contributed to maintaining record high levels of satisfaction among our Private (98%) and Wealth (95%) clients.

1.2. Our range of banking solutions and services

Payment products

Belfius offers payment products in the form of packages consisting of a current account linked to a debit or credit card, depending on the chosen service level. These range from the free basic package Beats Pulse (without a credit card) to the product Beats Star (with insurance covering purchases, event tickets, travel cancellations, etc.). A credit card is granted subject to acceptance according to an efficient risk management process. All cards (now produced with recycled plastic and a notch to distinguish debit cards) offer the convenience of contactless payment with a card or smartphone via Apple Pay or Google Pay. Belfius also offers its customers the possibility to pay with Fitbit Pay or Garmin Pay.

Belfius is a major shareholder of Bancontact Payconiq Company, a leader in the market of local card and payment systems in Belgium. Belfius is also a shareholder of EPI (European Payment Initiative), the European payment initiative marketed under the name Wero and based on instant payment technology. In 2024, Belfius introduced person-to-person payments via a contact list or QR code and will continue to improve this type of payment in 2025. E-commerce payments will also be rolled out in the near future.

To provide solutions to all customers, including the most vulnerable and to promote financial inclusion, specific accounts are also offered (Basic Banking Service account, Universal account) as well as specific services such as account statement in braille and card reader for the visually impaired.

Credit Products

Mortgage loans are an asset and a strategic development focus for Belfius. They currently represent the majority of the credit production granted by Belfius to individuals, thanks to a comprehensive and diversified range.

The year 2024 was mainly marked by a drop in interest rates, which allowed the mortgage loan market in Belgium to start its recovery in the second half of the year. This led to a 5% increase in Belfius' production in 2024 compared to 2023, consolidating our market share on production at 17.6%.

2024 also saw the birth of a new partnership between Belfius and Immoweb, strengthening Belfius' position as a reference in the mortgage loan market in Belgium. The increased visibility offered by Immoweb had a significant and positive impact on the volume of online mortgage loan simulations, with an increase of more than 60% compared to the previous year.

Our loan offer was also enriched with the introduction of the 30-year mortgage loan, allowing borrowers to finance the construction, purchase, and renovation of energy-efficient homes over a longer period, thus promoting access to more sustainable housing. The share of mortgage loans for energy-efficient homes reached 30.2% of the total mortgage loan production.

To support our clients in their energy renovation projects, Belfius strengthened its commitment by establishing a new partnership with ImmoPass & Scone. Thanks to this partnership, Belfius clients benefit from exclusive conditions to order an energy audit, helping them better define the scope and priorities of their renovation project. In the long term, Belfius continues to explore new financing and support solutions to encourage energy investments and support the energy transition in Belgium.

Belfius also offers a wide range of consumer loans for various purposes. More than 60% of the volume is recorded on car loans. The transition to low-emission vehicles continues, and this is also reflected in an increase in the number of car loans for more environmentally friendly vehicles. In 2024, the number of car loans for financing an electric or plug-in hybrid car with less than 50 g/km CO_2 emissions (Car Loan Energy +) more than doubled compared to 2023.

Savings and Investment Products

The years 2022 and 2023 were marked by rising interest rates and renewed attractiveness of fixed-income products. Many solutions, sometimes almost forgotten, have returned to the forefront: term accounts, deposit certificates, branch 21, etc. These products remained in the spotlight during the first three quarters of 2024, boosted by the maturity of the government bond in September 2024, where the major banks in the country each made very aggressive offers to recover as much as possible of the EUR 22 billion. Belfius addressed this momentum very well, recovering the entire outstanding amount of the government bond at maturity (EUR 3.5 billion), while also attracting approximately EUR 800 million in new cash from competitors.

Aside from this key moment in September, the rest of 2024 was a very good year for the organic growth of savings and investment products at Belfius. Our regular commercial actions, as well as the launch of new innovative products, helped support our growth. Across all segments, our net growth in asset management exceeded expectations, reaching over EUR 2.3 billion. Looking more specifically at our Private Banking & Wealth Management activity, our pivot towards discretionary mandate management was successful, with our net growth in this type of solution amounting to more than EUR 1.8 billion, well above initial expectations.

"Meaningful and inspiring" investment solutions remained a cornerstone of Belfius' investment strategy. Indeed, we continue to affirm our commitment to offering our clients a wide range of thematic investment funds that address today's and tomorrow's major challenges and potentially offer opportunities. For example, our 10 Funds of the Future cover more than 75% of the United Nations' sustainable development goals.

The end of 2024 brings us into a new paradigm. Interest rates are now falling, and the "case" for fixed-income products is now less straightforward for investors. Fortunately, at Belfius, we have a complete range to offer them for effectively diversifying their investments. This includes investments in private assets, notably with the launch of a private debt fund that was very successful with our Private & Wealth clients at the end of 2024.

Re=Bel Platform

The investment app ‘with a cause’ experienced a major growth, accounting for 127,000 users and EUR 2.3 billion in investments. In 2024, 82% buy & sell transactions on shares via Re=Bel related to sustainable companies according to Belfius ESG criteria.

The Re=Bel Platform continued expanding its offering, most notably by integrating investment funds in December, while complementing the set of trackers (ETF/ETC/ETN) which now exceeds 1,300. Since March, the Re=Bel Platform is open to Business clients as well. To make investment even more accessible and better meet evolving preferences of investors, Re=Bel brokerage were sharply reduced in May (US & Euronext markets) and October (German markets). In November, Re=Bel initiated a sponsoring partnership for the Beursrally / Rallye boursier 2024 (by De tijd / L’Echo) supporting financial literacy in the Belgian society while growing awareness of Re=Bel amongst (future) investors.

Insurance Products

Belfius offers its customers a comprehensive range of Life and Non-Life insurance products through Belfius Bank’s branch network and its digital touchpoints. It also offers these type of products through the tied agent network of DVV Insurance, as well as through the direct distribution channel, Belfius Direct Insurance.

In Non-Life, the product range includes car insurance (third party and omnium/damage), property insurance, third party civil liability insurance, and miscellaneous risks insurance such as bicycle insurance for example. For Non-Life insurance products, the most significant products are property and mobility insurance, which accounted for 42.2% and 39.3% of gross written premiums for Individuals in 2024. Several milestones were reached in 2024 for Non-Life insurance. A new guarantee 'Mini-Omnium Up' in car insurance was launched in Belfius Bank, which complements the mini-omnium formula with total loss coverage. The pet insurance of Belfius Direct Insurance was introduced via Belfius Mobile application and our branches. When looking at our Non-Life gross written premiums, we noticed a growth of +5% compared to last year.

In Life insurance products, Belfius offers Protection as well as Saving and Invest products. Protection includes mortgage/outstanding balance cover, death insurance and critical illness insurance. In 2024, supplementary initiatives were implemented to facilitate the medical acceptation process of these products. Additionally, within the range of Branch 23 investment insurance, several new, innovative products and funds were launched. This, combined with the significantly increased popularity of Branch 21 products due to higher market interest rates, has resulted in a record year in terms of premium deposits.

Belfius continuously strives to improve the client experience by reinforced servicing, enhanced and extended digital offers and capabilities, increasing personalisation and focussing strongly on the Bank-insurance commercial dynamic.

1.3. Distribution Channels

Belfius

Belfius has an omnichannel business model consisting of three efficient and mutually reinforcing channels (digital, remote, and branches). With this omnichannel approach, we strive for the right balance between human interaction and efficient, user-friendly digital interaction from a distance. In 2024, significant efforts were made to increase accessibility for Belfius customers through various channels. In addition to extensive appointment hours, urban branches have been freely accessible without an appointment for at least 5 half-days since September 2024. From 1 January 2025, other branches will also be freely accessible for at least 2 half-days.

Significant investments have been made in Belfius Connect, and the "Belfius on" formula was launched, allowing customers to request a callback within 30 minutes. In the context of Batopin, the new bank-neutral network of ATMs from Belfius, BNP Paribas Fortis, ING, and KBC, Belfius removed ATMs in 53% of branches. However, a cashless machine remains in each branch with self-service options for customers, such as transfers and printing account statements.

Belfius offers its banking and insurance products through a network of 460 branches (including the Private & Wealth Houses), its digital channels, and via Belfius Connect, its remote advisory channel. Additionally, it offers its insurance products through its network of 281 DVV branches with affiliated agents (situation at the end of 2024) and via Elantis.

Branch Network

Belfius Bank serves its customers through 460 branches (situation at the end of 2024), including 357 independent branches and 103 own branches. All branches are organized into 63 "clusters". On average, each cluster has 7 branches with sales teams totaling an average of 47 employees (FTE). The branch employees are physically available in the branches with or without an appointment and also by phone, email, and other digital channels.

To support our growth ambitions in Private Banking & Wealth Management, Belfius continues to establish special branches, the so-called Private & Wealth Houses, which are specifically dedicated to our Private Banking and Wealth Management customers. By the end of 2024, Belfius had opened 44 Private and Wealth Houses.

Belfius Connect

Belfius Connect, the sales and service center of Belfius, supports end-to-end omnichannel sales flows. Interactions with our customers take place through various communication channels (such as phone, chat messages, the chatbot) with the aim of quickly providing our customers with the right solution to their questions.

2024 was a year in which Belfius Connect:

- Continued to serve even more customers, who increasingly communicate remotely (interaction volumes at Belfius Connect have more than doubled in 5 years, with an increasingly important role for the digital assistant, although the phone remains the preferred contact channel);
- Further strengthened its accessibility, which remains central to our strategy. We have created a new feature that has been integrated into the Belfius Mobile app and Belfius Mobile Phone: "Call me back". With one click, the customer who has this option requests to be called back within 30 minutes. A promise that Belfius Connect has kept;
- Distinguished itself again by winning the first prize "Best Customer Centric Culture" at the European Contact Centre & Customer Service Awards in London: a recognition and confirmation of the Love that Belfius Connect wants to show our customers every day.

DVV Insurance, Tied Agent Network

DVV Insurance has a history of more than 95 years in the Belgian Life and Non-Life insurance market, by virtue of a network of self-employed agents, selling exclusively DVV's insurance solutions. Through 281 branches, and ~900 dedicated insurance experts as at the end of 2024, DVV Insurance offers individuals, the self-employed and small enterprises a complete range of insurance products as well as mortgage loans.

DVV has a unique brand promise based on “quite simply good service” supported by empathy, expertise, straightforwardness and proximity.

In today’s competitive market, DVV’s strategy is to expand its customer base further. In addition to keeping a strong position in Non-Life for Individuals, DVV is looking for more growth in Life for Individuals. A clear focus is placed on providing the right and appropriate service and advice by our local agent network to their customers by using a well-developed check-up-programme.

In 2024, the DVV tied agent network remained an important channel for the distribution of Non-Life insurance products of Belfius both in the Individuals and in the Business segment.

Belfius Direct Insurance

In 2024, the subsidiary Belfius Direct Insurances (formerly Corona Direct, integrated on 1 July 2023) continued its growth, particularly with its flagship product, the Pay-Per-Kilometer Car Insurance, which saw a 39% increase in the number of policies sold annually. Its products are distributed through its direct channels, and its offering is gradually expanding to the banking channel. In addition to the Pay-Per-Kilometer Car Insurance, the Pet Insurance has also been available since April 2024.

The brand aims to position itself as a leader in digital insurance. It strives to offer a simple subscription experience to its customers and has been recognized by Sia Partners. The international consulting firm published its annual digital benchmark of the Belgian insurance market in September 2024. The study examined which insurers offer the best digital customer experience in Belgium. With the second-highest score, Belfius Direct Insurance ranked at the top and took first place as a direct insurer.

Elantis

Elantis, a subsidiary of Belfius Insurance since 2012, offers mortgage loans and consumer loans through independent brokers. In mortgage loans, production in 2024 increased by +18% compared to 2023 and is booming compared to the market. As of 31 December 2024, Elantis managed EUR 0.2 billion in outstanding "Consumer Loans" from Belfius and EUR 4.9 billion in outstanding "Mortgage Loans" from Belfius. The loan production also offers the possibility of cross-selling with life insurance and Belfius' regular banking products.

1.4. Digital, data and beyond banking

Digital Leadership

In 2024, we made significant investments in our mobile application. This strengthens our position as a digital leader and supports our customers in the way that suits them best.

In September, we introduced a completely redesigned app, aimed at smoother navigation and a more personalized experience. With customizable home screens, advanced data widgets, an intuitive payment flow, and an improved onboarding process, we offer a flexible and future-oriented user experience.

With the ability to switch between dark and normal mode, add widgets, and customize the home screen to personal preference, the control lies with the user. This results in increased user-friendliness and satisfaction.

Accessibility was an important customer promise in our physical offices and digital channels. This promise was also emphasized in the app, making it easier than ever to reach the customer's office and banker. Through the "Belfius On" functionality, we also guarantee customers a callback within 30 minutes, ensuring that questions are answered quickly and personally.

Accessibility also means our ongoing commitment to an inclusive digital customer experience, allowing people with disabilities to use our app. Our digital development follows the WCAG guidelines and the European Accessibility Act, ensuring that everyone can fully utilize our services.

The focus in 2024 was primarily on the mobile experience, but in 2025 this will also be further concretized on Belfius.be and Belfius Direct Net.

In terms of insurance, we further invested in the integration of Belfius Direct Insurance into the Belfius mobile app, both in terms of underwriting and policy visualization.

Our mobile app, as the most well-known digital contact point, remains the best in class with a satisfaction score of 4.7 in the Apple App Store.

These efforts are paying off: this year we again see a significant increase in the number of customers actively using our app (we saw a net growth of 94,000 users of our mobile app in 2024).

It is for them and all our customers that we look forward to 2025, which will bring even more digital innovations.

Digital Sales

Belfius digital sales continued their growth path which can be demonstrated by:

- 66% of pension savings plans were sold digitally, with nearly 90% on mobile;
- 39% of new credit cards were issued through digital channels;
- 46% of recurring investment plans were sold digitally;
- 15% of home insurance policies were subscribed to digitally. This percentage is 23% for tenants;
- 54% of Pay-Per-km Insurance contracts (new insurance policy) sold through Belfius channels were done so digitally;
- 57% of Pet Insurance contracts (new insurance policy) subscribed through Belfius channels were sold digitally.

Digital communication has helped generate even more client appointments in bank branches and also supported sales made in branches. This confirms the commercial added value of an innovative approach both at the digital and omnichannel levels.

Over the coming months, Belfius will continue to offer proactive deals to clients to inspire them and generate cross-sales, leveraging the power of its digital platform and relying on relevant information based on behaviour, transactional data, and customer preferences.

Data

In 2024, we developed additional key reports to reinforce our reporting landscape while continuing our efforts towards better integrated and harmonised data. Through reporting and advanced data science, we also delivered many new insights leading to improved understandings of customer behaviours and needs; allowing us not only to position solutions better but also to optimise the customer experience.

As we continue to keep our strategic focus on the building of solid and shared data foundations, we also focus on AI capabilities to explore ways to leverage these capabilities to serve customers better as well to manage risk and cost.

Beats

After several years of strong growth, we see a stagnation in telco sales in 2024. This, however, is accompanied by a significant improvement of the sales quality in the second half of the year as a result of a continuous focus on cross-sell between Home and Beats internet packages.

The ambition for 2025 is to turn this stagnating trend into growth while continuing our qualitative product mix by:

- further aligning the Beats offer with evolving customer needs (package without a fixed line, etc.);
- continuing to stimulate cross-sell between Home & Telco (through renters and Batibouw campaigns, cross-sell related network incentives, etc.).

Banx

Banx was launched in 2021 as an innovative initiative aimed to address a niche audience seeking sustainability. Despite a top-level digital user experience, it was very difficult for a new bank and brand to establish a main bank relationship with customers in an already saturated market. As a result commercial performance remained below expectations.

Going forward, we will reorientate Banx and capitalize on the success of Beats to embody both pillars of the strategic partnership with Proximus. More concrete, Proximus customers who subscribe a Beats New or Star banking pack will enjoy exclusive advantages at the time of onboarding and throughout their relationship with Belfius.

The ambition is to launch the new banking offer for Proximus clients in 1Q 2025. The decommissioning of Banx has started in September 2024 with the objective to have all Banx account closed by the end of January 2025.

Ambition and Strategy 2025 in Digital, Data & Beyond

In 2024, Belfius continued implementing its 2025 ambitions adapting Belfius even more to a digital-human and integrated business model. The investments in the following three domains are key drivers of transformation of Belfius as part of the 2025 strategy. Data, Digital and Beyond act as performance and efficiency enablers for all segments, enabling Belfius to implement its strategy. Continuity will be ensured during the transition towards the 2030 Strategy.

The implementation of efficiency initiatives across Belfius' business lines and the development of Belfius' digital service offering have played a significant role in the improvement of Belfius' financial performance, including through operational efficiency improvements in the branch network, product portfolio and sales force as well as efficiencies delivered by its mobile platform. A key component of Belfius' strategy is to continue to capitalise on these initiatives and to optimise its operating model further through ongoing integration and more digitalisation. As such, Belfius is able to maintain a controlled cost base, balancing its cost savings and efficiency gains with further strategic and innovation investments.

Commercial performance Individuals in 2024

At 31 December 2024, **total savings and investments** amounted to EUR 132.4 billion, a strong increase by EUR +11 billion, or +9% compared to the end of 2023, thanks to the EUR 7.1 billion organic growth and EUR 3.9 billion market effect in 2024. The organic growth is boosted by the strong activity in Asset Management Services following our Bank for Investors Strategy, but above all by the increased attractivity of the Maturing deposits thanks to the increased interest rates.

Non maturing deposits totalled EUR 57.2 billion at 31 December 2024, up by +3% from the end of 2023. The payment and savings accounts outstanding reached respectively EUR 13.1 billion (+4%) and EUR 44.1 billion (+2%) at the end of December 2024.

Maturing deposits and Branch 21 amounted to EUR 24 billion, up by +31% compared to the end of 2023. This strong increase is mainly due to Term deposits and, to a lesser extent, to Bonds and Savings certificates explained by the increased attractivity due to the higher interest rates, and amounted respectively to EUR 6.9 billion (+66% vs 2023), EUR 11.3 billion (+14% vs 2023), and EUR 2 billion.

Asset Management Services and Equity investments volumes increased by +14% compared to the end of 2023, to EUR 46.8 billion, mainly explained by the positive market effect and to a lesser extent by the organic growth.

Individuals (unaudited)

(in billions of EUR)	31/12/23	31/12/24	Evolution
TOTAL SAVINGS & INVESTMENTS	121.4	132.4	9.1%
NON MATURING DEPOSITS	**55.7**	**57.2**	**2.7%**
Savings accounts	43.1	44.1	2.3%
Payment accounts	12.6	13.1	4.3%
MATURING DEPOSITS AND BRANCH 21	**18.3**	**24.0**	**31.2%**
Term/Straight Deposits	4.2	6.9	65.8%
Bonds	9.9	11.3	13.5%
Savings Certificates	0.7	2.0	172.8%
Branch 21, Branch 23 Funding & DVV	3.5	3.9	11.0%
ASSET MANAGEMENT SERVICES AND EQUITY	**41.1**	**46.8**	**13.9%**
Asset Management Services	37.7	43.2	14.4%
Equity	3.3	3.6	7.4%
OTHER SAVINGS AND INVESTMENTS	**6.3**	**4.4**	**-30.0%**
Pension Insurance	1.9	1.9	-1.0%
Others[1]	4.4	2.5	-42.5%

(1) Including Third Party Products.

Total loans to customers increased by +3.8% to EUR 52.2 billion at 31 December 2024. Mortgage loans, which account for 90% of all loans for Individuals, amounted to EUR 46.9 billion at the end 2024 (+3.1%), while consumer loans and other loans to Individuals stood respectively at EUR 1.9 billion and EUR 3.5 billion.

New long-term loans granted to Individuals clients during 2024 amounted to EUR 7.0 billion, an increase of +6.1% compared to 2023. In 2024, the new production of mortgage loans increased by +5.3% to EUR 5.6 billion. During the same period, EUR 0.8 billion in consumer loans and EUR 0.6 billion in new long-term business loans were granted, stable compared to 2023.

Individuals (unaudited)

(in billions of EUR)	31/12/23	31/12/24	Evolution
TOTAL LOANS TO CUSTOMERS	50.3	52.2	3.8%
Mortgage Loans	45.4	46.9	3.1%
Consumer Loans	1.8	1.9	3.5%
Other Loans(1)	3.0	3.5	14.9%

(1) Mainly Professional loans.

Non-Life & Health Gross Written Premiums grew by +5.2% in 2024 compared to 2023, at EUR 708 million, thanks to growth in all distribution channels: BankInsurance +6% (EUR 325 million), DVV +5% (EUR 310 million) and Belfius Direct Insurance +4% (EUR 73 million). Such growth is driven by increased production figures (especially in mobility) but also by premium indexation to compensate for inflation pressure on claims and costs (mainly in Property).

The mortgage loan intentional cross-sell ratio for credit balance insurance increased to reach 137% at the end of 2024. The intentional mortgage loan cross-sell ratio for property insurance increased to 89%.

Life insurance reserves increased strongly (+6.6%) since end 2023 to EUR 10.8 billion at the end of 2024. Unit-linked reserves (Branch 23) increased by +8.6%, mainly thanks to a positive market effect of EUR 0.3 billion and reserves Life Invest Branch 21 increased by +16.0%.

Individuals (unaudited)

(in millions of EUR)	2023	2024	Evolution
TOTAL PREMIUMS RECEIVED	1,635	1,826	11.6%
Life	962	1,118	16.1%
Non-Life & Health	673	708	5.2%

Individuals (unaudited)

(in billions of EUR)	31/12/23	31/12/24	Evolution
TOTAL LIFE INSURANCE RESERVES(1)	10.1	10.8	6.6%
Protection	0.7	0.7	0.2%
Invest	6.1	6.7	10.5%
Pension and Endowment	3.4	3.4	0.9%

(1) Investment products and insurance products.

Belfius continues to set the pace in mobile banking in Belgium and further developed its digitally supported business model. At the end of 2024, Belfius apps for smartphones and tablets had 2.1 million users (+5%) and were consulted on average 41 times per month. The high satisfaction figures show that continuous innovation, focused on user-friendliness and valuable utility for the customer, pays off.

Financial results Individuals in 2024

In 2024, total income amounted to EUR 2,445 million, up by +4% compared to the end of 2023, demonstrating the resilience of Belfius Individuals' business model in the context of challenging market.

Net interest income of the bank amounted to EUR 762 million in 2024, a decrease by -7% compared to last year explained by both the tariff increase and the lower volumes of the non maturing deposits.

Net fees and commissions of the bank amounted to EUR 670 million in 2024, an increase by +6% if compared to last year, mainly explained by the higher volumes in Asset Management Services.

Life insurance contribution amounted to EUR 382 million in 2024, a strong increase by +13% compared to 2023, driven by higher recurring financial income and capital gains.

Non-life insurance contribution amounted to EUR 720 million in 2024, an increase by +5% compared to 2023, thanks to the portfolio growth (incl. premium indexation to compensate for inflation impact on claims and costs).

The other income amounted to EUR -90 million in 2024, a strong improvement compared to EUR -123 million in 2023, explained by the good performance of the FM equity desks, and the lower bank levies.

Insurance services expenses adjusted reached EUR -591 million in 2024, a deterioration by EUR -55 million, or 10% compared to 2023, mainly explained by the growth of the Non-Life portfolio, higher natural catastrophes (EUR 30 million in 2024 vs. EUR 23 million in 2023) and the impact of the update of the indicative tables.

In 2024, costs amounted to EUR -1,171 million, an increase by EUR 68 million or +6% compared to 2023, mainly due to (a) the increase in staff expenses explained by FTE growth and wage drift, and (b) to a lesser extent, by the increase in network fees.

As a result, gross operating income reached EUR 683 million in 2024, a decrease by -5% if compared to 2023.

Cost of risk amounted to EUR -20 million in 2024, an increase by EUR 8 million compared to 2023 explained by the higher levels of S1&S2 provisions driven by the deterioration of the credit ratings and the increase in S3 provisions.

There were no impairments on (in)tangible assets in 2024.

Pre-tax income stood at EUR 663 million in 2024, down by EUR -45 million or -6% compared to 2023.

Tax expenses amounted to EUR -186 million in 2024 compared to EUR -184 million in 2023.

Individuals' net income Group share decreased by -9% and amounted to EUR 476 million in 2024.

Individual's special items reached EUR 22 million in 2024, so the adjusted net income Individuals amounted to EUR 453 million in 2024, a decrease by -13% compared to 2023.

Individuals' cost-income ratio amounted to 47.9% in 2024 compared to 46.7% in 2023. The Return on Normative Regulatory Equity (RoNRE) stood at 28% in 2024.

Financial Results IND

(in millions of EUR)	2023	2024
INCOME	**2,359**	**2,445**
Net interest income bank	822	762
Net fee and commissions bank	632	670
Life insurance income	339	382
Non-life & Health insurance income	689	720
Other income	-123	-90
INSURANCE SERVICE EXPENSES ADJUSTED(1)	**-535**	**-591**
COSTS	**-1,103**	**-1,171**
of which directly attributable costs from insurance	-153	-168
GROSS INCOME	**721**	**683**
Cost of Risk	-12	-20
Impairments on (in)tangible assets	-1	0
RESULT BEFORE TAX	**708**	**663**
Tax (expense) income	-184	-186
NET INCOME AFTER TAX	**524**	**477**
Non-controlling interests	1	1
NET INCOME GROUP SHARE	**523**	**476**
ADJUSTED NET INCOME GROUP SHARE(2)	**523**	**453**

(1) Insurance Service Expenses Adjusted = Insurance Service Expenses + Net Reinsurance Result - directly attributable cost from insurance.
(2) Adjusted results are Alternative Performance Measures and are defined and reconciled in the APM-document on the website: www.belfius.com.

Ratios

(in %)	2023	2024
Cost-income ratio(1)	46.7%	47.9%

(1) Costs (total opex) relative to income.

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

Business description E&E&P

While still leading the public and social sector thanks to more than 160 years of experience, Belfius has, in less than five years, become a 'Lead and Loved Bank' in the Entrepreneurs and Enterprises (E&E) segment, with an **estimated market share of over 20%** (20.2% for the Business segment and 21.6% for the Corporate Banking segment). Belfius is successfully implementing its 'Lead and Loved Bank' strategy by offering a complete range of banking and insurance products and services to **approximately 360,000 entrepreneurs, enterprises and public and social institutions (E&E&P)**.

1. Customer segmentation

The E&E&P division's products and services are aimed at entrepreneurs (Business segment), medium and large companies (Corporate segment) and public and social sector entities (Public and Social segment).

- The **Business Banking segment** mainly comprises self-employed persons, liberal professions (e.g. lawyers, doctors, accountants, and so on) and SMEs with a turnover of between EUR 0 and 10 million;
- The **Corporate Banking segment** groups together medium and large Belgian companies with a turnover of more than EUR 10 million and operating in Belgium in all sectors of activity. Within Corporate Banking, Belfius has created a new segment on the borderline between Business Banking and Corporate Banking, with a turnover of between EUR 10 and 25 million, called the 'Local Corporate' segment;
- The **Public and Social segment** includes local public bodies (e.g. municipalities, provinces, police districts and public centres for social action), supralocal public bodies (e.g. inter-municipal), regional and federal public bodies, mutual societies and trade unions, healthcare (hospitals, retirement homes), education (universities, schools) and housing, as well as foundations, social secretariats and pension funds.

'Lead and Loved Bank for E&E&P'

2. Distribution channels

The Public and Social Sector sales network comprises 33 bankers in 3 regions. The relationship managers focus on specific customer segments. Knowing how their customers operate, they are able to identify the banking and insurance solutions that best meet their needs.

The Corporate Banking sales network comprises 78 corporate bankers in 4 regions. We also have 40 bankers (9 staff members and 31 self-employed workers in our branch network) to serve companies in the Local Corporate segment (turnover between EUR 10 and EUR 25 million).

Within Corporate Banking and Wealth Management distribution, we also have 26 salaried Wealth Managers and 9 Private Bankers who handle entrepreneurs' private needs. They provide day-to-day wealth management support for private customers (with assets in excess of EUR 500,000) and Wealth customers (with assets in excess of EUR 2.5 million). Since 2021, Private and Wealth customers have been welcomed in exclusive Private and Wealth Houses.

The Business Banking segment is served by some 363 Business Bankers in our branch network.

Within the E&E&P segments, the banker is the key contact in the commercial interaction with the customer. They are the main contact person and maintain a long-term relationship of trust with the customer. Bankers can call on in-house experts at any time with regard to the various product and service lines, for example investment, cash management services, trade finance, factoring, insurance, financial markets and leasing. An approach involving bankers surrounded by experts, Wealth Managers and Private bankers lies at the heart of our service model for E&E&P customers.

In addition to the major asset we already have, namely high-quality human service, Belfius also focuses on the digital aspect. Like our private customers, our business customers can also carry out their banking transactions with Belfius remotely.

Business customers can carry out all their transactions via Belfius Direct Net. They also have access to the Belfius Mobile application, which has been recognised as the best in the world in terms of convenience, functionality, design and user experience. Since June 2024, business customers have been able to open a business account digitally. Since October, they have also been able to take out a PLCI (supplementary pension for the self-employed) digitally. Finally, the Re=Bel investment platform is available online for all business customers who wish to invest in the stock market independently via the Belfius app (on a smartphone) or Belfius Direct Net (on a PC).

The BelfiusWeb application can be used to manage a multitude of banking services. Among other things, it allows users to initiate payments and sign transactions securely and with no limit on the amount, for example, request forms (accounts, cards, BelfiusWeb and so on). Available 24 hours a day, 7 days a week, everything is done digitally, saving a considerable amount of time for customers, who can also sign documents on their smartphones. It also offers the possibility of drawing straight loans or rollovers directly.

For some years now, Belfius has also offered specialised and innovative applications. Belfius Edge allows E&E customers to carry out foreign exchange transactions digitally directly in the Belfius trading room and our E-FX application can be used to initiate international payments instantly via BelfiusWeb or Belfius Mobile.

For its public customers, Belfius has developed a new debt management tool to enable them to view their debt profile in real time.

3. Our range of banking solutions and services

Belfius wishes to remain a powerful driver of the Belgian economy with a high volume of credit and wants to continue to help customers develop their activities and manage their cash flow by offering a range of first-class solutions and services to meet their business and private needs.

‘More than ever, Belfius supports the Belgian economy with a significant volume of loans to E&E&P customers.’

3.1. Financing products

Belfius has made a formal commitment: to support the Belgian economy, not only when everything is going well but also in times of difficulty.

Belfius offers its E&E&P customers a range of long- and short-term credit products to enable them to finance and develop their business. These include:

- Specific tailor-made financing solutions (loans, factoring, leasing) for start-ups, doctors and accountancy professionals. The products include cash management and payment solutions, investments, mobility solutions, non-life insurance products and professional life insurance products;
- Working capital solutions: to finance working capital needs, Belfius offers a range of solutions such as short-term loans and factoring to optimise liquidity management and avoid liquid assets being tied up. Each solution is tailored to a specific situation, making it easier to manage the business or optimise accounting or tax processes;
- Leasing services: Belfius offers various financial and operational leasing solutions through its subsidiaries Belfius Lease and Belfius Auto Lease;

- Debt Capital Markets (DCM): Belfius is widely recognised for its expertise and role in supporting Belgian issuers in issuing bonds on the financial markets in the (semi-)public and corporate sectors. In 2024, despite the volatility and difficulty of the market, Belfius issued 39 bonds (alternative short- and long-term financing solutions). On 16 January 2024, Belfius was awarded the title of 'Bond Finance House of the Year' for the third time running and the seventh time in ten years by Euronext Brussels. This is yet another confirmation of Belfius' strategic role in consulting and alternative financing for Belgian issuers via the bond market, and for attracting investors on the international capital markets. In 2024, Belfius supported no fewer than 5 Green Bonds, 2 Social Bonds and 1 Sustainability Bond;
- Equity Capital Markets (ECM): in partnership with Kepler Chevreux, Belfius is also active in the equity capital market, structuring and placing market transactions for its Belgian corporate customers (initial issues, capital increases, private share placements). Despite the particularly difficult market environment, Belfius completed 4 deals in 2024;
- Real estate financing: Belfius' real estate department offers customers support from its in-house architects, engineers and project managers who specialise in construction and financing. With its unique 'Smart Building and Renovation Solutions' (a tailor-made 'all-in-one' formula designed to help and support customers right through their projects), Belfius supported 34 projects worth a total of EUR 307 million in 2024, EUR 155 million of which is financed by Belfius;
- Infrastructure financing: Belfius plays a key role in structuring and financing major infrastructure investment projects in Belgium, in particular renewable energy projects, and also semi-public real estate and infrastructure projects, through structured loans, syndicated loans and PPP financing. For example, Belfius is involved in the EUR 1 billion Project Finance club deal for the upgrade of the Ghent west ring road (Bravo 4);
- Trade and export financing: for Belgian companies that operate internationally, Belfius offers a range of trade and export financing products and services, from documentary credit to buyer credit. Transactions are carried out via an extensive network of Belfius representatives in all major countries of the world.

In early 2024, Belfius was named 'Belgium's Best Trade Finance Provider 2023' for the fourth year running by the international magazine Global Finance. This award recognises Belfius' day-to-day management of companies' cash flows, processing of international commercial transactions and the expansion of its activities in Belgium and around the world.

'Belfius has drawn on its expertise in the public sector to develop its cash management services for companies. The bank is renowned for its ability to handle high volumes of payments'.

3.2. Payment products

For the fourth consecutive year, the internationally renowned magazine Global Finance has awarded Belfius the title of best bank for Cash Management activities on the Belgian market. This accolade confirms Belfius' expertise and its real added value for entrepreneurs and enterprises in our country, in terms of the day-to-day management of their cash flows. This title once again demonstrates Belfius' know-how and the value of Belfius' cashier services for companies.

Alongside its standard banking offer, which includes accounts, company accounts, debit cards, credit cards and cash pools, Belfius offers payment products tailored to the various needs of E&E&P customers, such as prepaid cards, online payment solutions with the specialist payment provider Mollie, the collaboration with Twikey for all direct debit needs, and new payment request and e-invoicing methods.

Payment products are offered in the form of current account packages linked to a debit and credit card and at a lower price than each individual product. They also include other advantages (multi-currency compartments, discount on CODA reporting fees, etc.).

In Payworld, Belfius has a partner (alongside Worldline) to enable it to supply its customers with a payment terminal.

In managing international cash flows, Belfius also positions itself as an account aggregator, offers account management with other banks and allows payment transactions to be carried out from these accounts.

Belfius offers cash management and liquidity services to its public customers. The bank has long been the cashier for all but one of Belgium's regional administrations and almost all Belgian municipalities.

Amid an uncertain economic climate which is having a direct impact on companies' cash flows, Belfius has joined forces with EMAsphere, a SaaS reporting platform which is used to monitor financial performance. Through exclusive dashboards accessed via EMAsphere, Belfius' corporate customers receive reliable and up-to-date indicators to help them manage their cash flow. This is an invaluable tool in helping them make decisions and ensure their sustainability.

Finally, Belfius places great importance on the security of transactions and constantly monitors its internal procedures to prevent fraud. Belfius offers its customers an additional three-pronged security package to help companies and public administrations prevent, detect and manage fraud risks.

3.3. Savings and investment products

Belfius offers its E&E&P customers two categories of savings and investment products: on-balance sheet products, such as various savings accounts, term accounts, savings certificates and bonds issued by Belfius; and off-balance sheet products, including discretionary portfolio management, mutual funds and bonds issued by third parties. Dedicated product managers create savings and investment products that meet their specific needs in terms of risk, structure and maturity.

3.4. Insurance products

Belfius Insurance offers entrepreneurial customers a complete range of life and non-life insurance products via the Belfius Bank branch network and its digital contact points.

The product range includes non-life insurance cover: car, third party liability, fire, industrial accident and miscellaneous risk insurance.

Other life insurance products such as protection insurance (for example, for credit), supplementary private pensions for the self-employed and individual pension schemes are offered to professional customers.

Belfius Insurance also sells life insurance products to its public and corporate customers. The specific life insurance solutions mainly involve second and third pillar pension insurance in the civil service.

3.5. People Rewards

Belfius also offers a range of financial and insurance products such as warrants, Belfius Auto Lease and life insurance to all employers who wish to remunerate their employees as part of a variable remuneration policy.

Belfius has developed a new platform – ‘My Choice by Belfius’ – on the warrants market. It helps our customers to collect their employees’ choices efficiently by significantly reducing the administrative burden.

3.6. Financial analysis service

Belfius also carries out annual studies to inform customers on topics such as the development of local, municipal and provincial finances, with specific breakdowns for each local authority. Special financial analyses are also provided for individual municipalities and hospitals to help them understand their own finances and view their figures in relation to regional or peer averages. These studies have become the reference management tools for Belfius customers in the public and social sector.

In keeping with tradition, Belfius Bank presented its report on the state of local finances (45th edition) in June. At the end of the term of office of the local authorities, Belfius took stock of the past term which was punctuated by a series of crises. Belfius is also looking to the future, with several major challenges for the next municipal term, including higher staff costs and municipal interventions in support of CPASs. These can be attributed to the Covid crisis, high inflation with soaring wage and construction costs, and the energy crisis.

For the 30th time, Belfius deciphered the financial situation of general hospitals in Belgium and analysed the figures for the financial year 2023 and the first few months of 2024. In this study, Belfius examines the impact of wage inflation and rising energy costs on hospital budgets. All 89 general hospitals of Belgium took part in the study.

3.7. Belfius also assists Wealth Management in the realisation of their personal projects

Our strategy linking professional and private needs is clearly bearing fruit with Private and Wealth Management customers. It is based on a human and customer-oriented approach, supported by our digital know-how, international investment expertise and collaboration with strong partners.

Belfius offers exclusive access to an ever-expanding network of Private & Wealth Houses.

To provide inspiration for its customers, Belfius organises an exclusive quarterly event, 'Inspired By Convictions', at which experts share their investment convictions. Sessions have been very successful and enabled Belfius to share its vision of the financial markets with customers. They provided an opportunity to join experts from Belfius Asset Management and its partners Candriam and BlackRock and take stock of the developments observed since March.

To support business owners, Belfius has Bizz Matcher, an internal platform that enables bankers to put sellers and buyers in touch with each other.

'Belfius offers an innovative and tailor-made energy-sharing solution to help customers such as local authorities, hospitals, schools and universities create local energy communities.'

4. Sustainability as a key element in our range of products and solutions

In view of the energy challenges facing companies and public institutions, sustainability is an integral part of Belfius' strategy. Accordingly, the Bank is continuing to expand its range of sustainable products and solutions.

Belfius provides its Corporate customers with a tool to guide them and encourage them to define their sustainability strategy independently. This tool, available in the form of an ESG dashboard, represents a huge step forward in ESG dialogue with customers and in their participation in the sustainable transition.

The primary objective is to inspire companies in their choice of sustainable objectives by ensuring that they are relevant, based on the company's sustainability profile and sector of activity (sustainable objectives have been defined for 60 different sectors within our customer base). Through Corporate ESG Ambition, Belfius has also provided an incentive to encourage companies to achieve sustainability goals by means of a financial reward or a contribution to one of three Belgian initiatives relating to the environment, health or social integration.

Secondly, Belfius provides concrete financing, mobility and carbon neutrality solutions to help companies achieve the objectives they have set themselves.

Belfius has, therefore, launched two sustainable financing formulas at attractive rates, namely an investment loan and a lease, where the funds are used to finance a project which meets environmental objectives (such as electric or hybrid vehicles, improving the energy performance of buildings, electricity production using solar, wind, hydraulic or geothermal energy or waste and wastewater management).

Belfius Auto Lease offers a tailor-made car leasing formula designed to promote the use of environmentally friendly vehicles. For example, 72% of new Belfius Auto Lease leasing contracts are for electric or plug-in vehicles.

With CenEnergy, Belfius has invested in the accelerated rollout of charging stations across Belgium. Belfius already offers home charging solutions via Belfius Auto Lease as part of its employee benefit package. It is now going a step further by also offering charging solutions for companies and public customers. These are charging stations for company carparks, on industrial and commercial sites and public land. The customer can choose to provide access to charging stations for employees, visitors, customers or residents.

As part of this, Belfius is also involved in the development of (semi-)public infrastructure for those who cannot or do not want to install home charging solutions, for example people living in urban areas or tenants. CenEnergy offers a full range of services including in-house development and production of charging stations, advice and support for projects, charging infrastructure management and the provision of charging cards which can be used at more than 500,000 charging stations across Europe. Belfius can also offer financing through its wide range of financing solutions.

Belfius has decided to transfer its significant minority shareholding in Cyclis Bike Lease to the JobRad group, the main supplier of innovative, more sustainable and flexible bike mobility services in Germany. Belfius' mobility ambitions remain unchanged: to be a leading player in the field of mobility, to inspire and support customers in the transition to more sustainable mobility and, as a result, help to reduce CO_2 emissions in Belgium. Belfius and Cyclis Bike Lease will continue to work together towards this goal. Cyclis Bike Lease is still Belfius' trading partner for the Belfius Bike Lease product: an all-in-one offer for both small and large companies. This offer includes unlimited access to all bike models as well as services such as insurance, maintenance and assistance. In short, a fully comprehensive service, right on the doorstep. JobRad's investment in the share capital, along with its expertise and knowledge, provides Cyclis Bike Lease with a unique opportunity to develop and enhance its bike leasing offer, which will be of particular benefit to Belfius customers.

Modernisation work and extensive renovations to many buildings are unavoidable. Solutions to make them more intelligent and, more importantly, more energy-efficient and thereby reduce our CO_2 emissions are at the forefront of our thinking. It is with this in mind that Belfius is offering the Smart Building and Renovation solution, a tailor-made, all-in-one formula to help and support schools, care institutions, companies and local authorities at every stage in their projects – from technical and energy audits to the final acceptance of the building (from around EUR 1 million). Through this, Belfius is assisting all the authorities in one of the main pillars of the National Investment Pact and in Belgium's urgent need to modernise and improve its building stock. Through this Smart Building and Renovation Solutions product, Belfius supported 34 projects in 2024 for a total of EUR 307 million.

In April 2024, Belfius joined forces with the Belgian scale-up WeSmart, which specialises in energy-sharing management, to offer an innovative tailor-made solution (Smart Building & Renovation Solutions Energy Sharing) on the Belgian market to help customers such as local authorities, hospitals, schools and universities to create local energy communities. The aim is to maximise their own consumption of the renewable energy that they produce from their buildings and possibly generate additional revenue by selling the surplus. So Belfius is now expanding the range of services it offers with this innovative, all-inclusive energy-sharing solution that includes the feasibility study, the project management and finally the financing.

The aim is to simplify the setting up of energy-sharing projects by offering a fully comprehensive service and end-to-end support, from the feasibility study right up to on-site implementation, thanks to tailored financing that takes into account any subsidies. It also includes day-to-day management and guidance thanks to a digital platform that allows users to welcome new participants, monitor and control energy production and consumption in real time and streamline invoice management.

The exceptional EU-supported collaboration between the SeGEC (Secrétariat Général de l'Enseignement Catholique) and Belfius to equip catholic free schools in Wallonia and Brussels with solar panels within four years is now taking shape. More than 250 projects have already been completed or are ongoing. In all, more than 1,000 schools, catering for 475,000 pupils from nursery to higher education, will be able to benefit from this programme. The aim of this ambitious programme is to make our school buildings more sustainable and help to cut CO_2 emissions by reducing schools' energy bills.

In 2024, Belfius also played a 'senior role' in no fewer than 8 Green, Social and Sustainability bonds for a sum of EUR 1.1 billion.

Finally, Belfius issued its third green bond (a bond in which the funds raised are used to finance sustainable projects such as wind farms, the installation of solar panels, etc.) for a sum of EUR 750 million. This strategic bond is proving a great success. This huge interest confirms confidence in Belfius and its sustainability strategy. With this third green bond, Belfius is once again underlining the importance of sustainability in its overall strategy.

'Always more. For your love' is a promise that Belfius delivers on the ground every day.

5. Belfius, Lead & Loved Bank for Belgian entrepreneurs, enterprises and the Public & Social sector

On 16 May 2024, the 21st edition of the 'Best Finance Team of the Year' ceremony brought together more than 600 financial managers from numerous Belgian companies (CFO community) and gave Belfius a high profile in the business world. Belfius is the exclusive partner of this event organised by Financial Media. Keen to support the best sustainability projects carried out by CFOs and financial directors in these companies, Belfius presented its 'ESG Ambition Award' to LCL Data Centers. With this award, we want to recognise companies that do not see sustainability as a one-off initiative, but as an integral part of their strategy.

Belfius is also one of the main sponsors of the Municipalia trade fair, a stand-out event which brings together all the major players in local government. The event attracted more than 10,700 visitors, 1,500 of whom visited the Belfius stand. The event provided an opportunity for Belfius to showcase its 'Smart Building & Renovation Solutions Energy Sharing' solution in the aim of maximising companies' own consumption of renewable energy.

Furthermore, Belfius participates in Royal and princely missions (e.g. Brazil, France). This enables Belfius to showcase the support it provides for entrepreneurs and enterprises carrying out commercial projects on an international level. This involves a unique local approach. And, of course, a keenness to speed up their energy transition, so that together we can make a difference for Belgian society.

Finally, in late July-early August, Belfius was delighted to host more than 340 E&E&P customers at the Paris Olympics.

Commercial performance E&E&P in 2024

As of 31 December 2024, **total savings and investments** amounted to EUR 65.1 billion, stable compared to the end of 2023. Non Maturing Deposits (savings and payment accounts) decreased by EUR -1.9 billion to EUR 31.4 billion explained by the product mix switch to Maturing Deposits. Asset Management Services and Equity investments increased by EUR +1.0 billion to EUR 11.4 billion, mainly explained by the positive market effect and the good organic growth. Other Savings and Investments decreased by EUR -0.5 billion to EUR 8.5 billion, mainly explained by the decrease in Commercial Paper.

Entrepreneurs, Enterprises & Public (Unaudited)

(in billions of EUR)	31/12/23	31/12/24	Evolution
TOTAL SAVINGS AND INVESTMENTS	65.0	65.1	0.2%
Non maturing deposits	33.4	31.4	-5.8%
Maturing deposits and Branch 21	12.2	13.8	12.5%
Asset Management Services and Equity	10.4	11.4	9.8%
Other savings and investments[1]	9.0	8.5	-5.5%

(1) Commercial Paper & others.

Total outstanding loans increased to EUR 66.1 billion (+4.3%). Outstanding loans to Business customers reached EUR 15.6 billion, stable compared to 2023. Outstanding loans to Corporate customers has grown strongly by EUR +2.2 billion (or +9%). In Public & Social Banking, the outstanding loans increased compared to 2023 (+2.3%).

Entrepreneurs, Enterprises & Public (Unaudited)

(in billions of EUR)	31/12/23	31/12/24	Evolution
OUTSTANDING LOANS	63.4	66.1	4.3%
Business	15.6	15.6	0.2%
Public & Social	23.7	24.2	2.3%
Corporate	24.2	26.3	9.0%
OFF-BALANCE SHEET COMMITMENTS	29.0	27.5	-5.0%

Belfius granted in 2024 EUR 16.8 billion (similar level in 2023) in **new long-term loans** in the Belgian economy to Business, Corporate and Public and Social sector clients.

In 2024, EUR 4 billion **new long-term loans to business clients** were granted. The **production of long-term loans for Corporate customers** amounted to EUR 9.4 billion, confirming Belfius' position as a leader in the corporate market, with a solid position and a market share of 21.6%.

In 2024, Belfius granted EUR 3.4 billion of **new long-term financing to the public sector**. Belfius remains the undisputed leader in this market and responds to every financing tender from public bodies, to which it offers sustainable financing conditions. Belfius manages the cash flow of virtually all local authorities and was awarded 57% (in volume on production) of the public sector financing files put out to tender in 2024.

Belfius also strengthened its leading position in the **Debt Capital Markets (DCM)** for (semi-)public and private companies: in 2024, the Bank issued EUR 7.2 billion in innovative financing instruments in the form of short-term issues (average outstanding amount on commercial paper) and long-term issues (Medium Term Notes and bonds).

The E&E&P segment's commercial results in **insurance** shows opposite trends in terms of underwriting volumes:

- **Non-Life & Health GWP E&E&P**: increase compared to 2023 (+6%) to EUR 197 million thanks to growth in the Business segment of both Bancassurance and DVV (respectively by +14% and +5%) but also in Wholesale segment (+2%);
- **E&E&P Life reserves**: increase compared to 2023 by EUR +0.1 billion to EUR 4.2 billion. Growth on outstanding Business and Wholesale Pension is only partly offset by a small decrease on outstanding on Wholesale Invest and Endowment contracts.

Entrepreneurs, Enterprises & Public (Unaudited)

(in millions of EUR)	2023	2024	Evolution
TOTAL PREMIUMS RECEIVED	566	523	-7.6%
Life	380	326	-14.2%
Non-Life & Health	186	197	6.0%

Entrepreneurs, Enterprises & Public (Unaudited)

(in billions of EUR)	31/12/23	31/12/24	Evolution
TOTAL LIFE INSURANCE RESERVES(1)	4.1	4.2	1.5%
Protection	0.0	0.0	-45.1%
Invest	0.2	0.2	-16.9%
Pension and Endowment	3.9	4.0	2.4%

(1) Investment products and insurance products.

Financial results E&E&P in 2024

In 2024, total income E&E&P amounted to EUR 1,762 million, up by EUR +196 million or +13% compared to 2023.

E&E&P Net interest income bank amounted to EUR 1,164 million, up by +5% compared to 2023. This is mainly due to (a) the important increase in credit income driven by the strong activity in Roll-over loans and the high unexpected interest recuperation (litigations) on defaulted clients; and (b) the increased attractivity in maturing deposits.

E&E&P Net fee and commission income bank increased in 2024 to EUR 154 million, EUR +14 million compared to previous year.

Life Insurance contribution ended at EUR 121 million in 2024, +3% higher than in 2023, thanks to higher recurring financial income and capital gains.

Non-Life insurance contribution increased from EUR 177 million in 2023 to EUR 202 million in 2024, a strong increase of +15% thanks to excellent growth in business (+8% premium collection).

E&E&P Other income increased from EUR 18 million in 2023 to a staggering EUR 120 million in 2024, or EUR +103 million mainly explained by the realized capital gains on participations and lower bank levies.

Insurance services expenses adjusted reached EUR -170 million in 2024, practically stable compared to EUR -172 million in 2023.

In 2024, costs amounted to EUR -576 million, an increase by +3% compared to 2023, explained by the workforce reinforcement and wage drift effect.

As a result, gross operating income was EUR 1,016 million in 2024, a huge increase of EUR +181 million, or +22% compared to 2023.

Pre-tax income amounted to EUR 910 million in 2024, +19% compared to 2023.

The tax charge amounted to EUR -218 million in 2024, EUR 32 million higher than in 2023.

As a result, the E&E&P net income Group share reached EUR 692 million in 2024, an increase of EUR +115 million compared to 2023.

E&E&P special items reached EUR 51 million in 2024, so the adjusted net income E&E&P amounted to EUR 641 million in 2024 compared to EUR 577 million adjusted net income in 2023.

Cost-income ratio of the E&E&P segment was 32.7% in 2024. The Return on Normative Regulatory Equity (RoNRE) amounted to 10.6% in 2024.

Financial Results E&E&P

(in millions of EUR)	2023	2024
INCOME	**1,566**	**1,762**
Net interest income bank	1,114	1,164
Net fee and commissions bank	140	154
Life insurance income	117	121
Non-life & Health insurance income	177	202
Other income	18	120
INSURANCE SERVICE EXPENSES ADJUSTED(1)	**-172**	**-170**
COSTS	**-560**	**-576**
of which directly attributable costs from insurance	-49	-52
GROSS INCOME	834	1,016
Cost of Risk	-72	-106
Impairments on (in)tangible assets	0	0
RESULT BEFORE TAX	762	910
Tax (expense) income	-186	-218
NET INCOME AFTER TAX	577	692
Non-controlling interests	0	0
NET INCOME GROUP SHARE	577	692
ADJUSTED NET INCOME GROUP SHARE(2)	577	641

(1) Insurance Service Expenses Adjusted = Insurance Service Expenses + Net Reinsurance Result - directly attributable cost from insurance.
(2) Adjusted results are Alternative Performance Measures and are defined and reconciled in the APM-document on the website: www.belfius.com.

Ratios

(in %)	2023	2024
Cost-income ratio(1)	35.7%	32.7%

(1) Costs (total opex) relative to income.

Group Center

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

- Run-off portfolios, inherited from the Dexia era, which mainly comprise:
  - a portfolio of bonds issued by international issuers, particularly active in the public and regulated utilities sector (which includes UK inflation-linked bonds) and ABS/RMBS, the so-called ALM Yield bond portfolio;
  - a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and
  - a portfolio of IR derivatives with Dexia entities as counterparty and with other foreign counterparties;
- ALM liquidity and rate management and other Group Center activities, composed of liquidity and rate management of Belfius (including its ALM Liquidity bond portfolio, derivatives used for ALM management and the management of central assets) and other activities not allocated to commercial activities, such as financial market support services (e.g. Treasury), the management of two former specific loan files inherited from the Dexia era (loans to Gemeentelijke Holding/Holding Communal and Arco entities), and the Group Center of Belfius Insurance.

These portfolios and activities are further described below.[8][9]

ALM Liquidity bond portfolio

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

At the end of 2024, the ALM Liquidity bond portfolio stood at EUR 9.1 billion, up by EUR +1.3 billion or +17%, compared with December 2023. At the end of 2024, the portfolio was composed of sovereign and public sector bonds (61%), covered bonds (34%), corporate bonds (5%) and asset-backed securities (<1%). Belgian and Italian government bonds in the ALM Liquidity bond portfolio both amounted to EUR 1.6 billion and EUR 0.9 billion respectively.

At the end of 2024, the ALM Liquidity bond portfolio had an average life of 6.5 years, and an average rating of A (100% of the portfolio being investment grade) compared with A at year-end 2023.

[8] Nominal amount.
[9] As from 1H 2024, average rating and expected average life are based on EAD instead of notional value (in line with method already used before for IR Derivatives), with recalculation of end 2023 statistics.

ALM Yield bond portfolio

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

At the end of 2024, the ALM Yield bond portfolio stood at EUR 2.8 billion, down by -5% compared to December 2023. At the end of 2024, the portfolio was composed of corporates (80%), sovereign and public sector (11%), asset-backed securities (5%), and financial institutions (4%). Almost 85% of corporate bonds, composed mainly of long-term inflation-linked bonds, are issued by highly regulated UK hospitals, infrastructure companies and utilities such as water and gas distribution companies. These bonds are of satisfactory credit quality and the majority of these bonds are covered by credit protection from a credit insurer (monoline insurer) that is independent from the bond issuer.

At the end of 2024, the ALM Yield bond portfolio had an average life of 21.4 years. The average rating of the ALM Yield bond portfolio stood at BBB+[10]. 92% of the portfolio was investment grade.

Derivatives with Dexia entities and foreign counterparties

During the period it was part of the Dexia Group, formerly Dexia Bank Belgium (now Belfius Bank) was Dexia Group's competence centre for derivatives (mainly interest rate swaps). This meant that all Dexia entities were able to cover their market risks with derivatives with Dexia Bank Belgium, mainly under standard contractual terms related to cash collateral. The former Dexia Bank Belgium systematically re-hedged these derivative positions externally, as a result of which these derivatives broadly appear twice in Belfius' accounts: once in relation to Dexia entities and once for hedging.

The total outstanding notional amount of derivatives with Dexia entities and interest rate derivatives with international counterparties amounted to EUR 6.0 billion at the end of 2024, down by EUR -1.0 billion or -15%, compared with EUR 7.0 billion at the end of December 2023.

Derivatives with Dexia entities decreased by -16% (or EUR -0.8 billion) to EUR 4.4 billion at the end of 2024. This decrease is due mainly to amortisations. Derivatives with international counterparties decreased by EUR -0.2 billion (or -10%) to EUR 1.6 billion at the end of 2024.

The fair value of Dexia and international counterparty derivatives amounted to EUR 0.8 billion at the end of 2024. After collateralisation, the Exposure At Default (EAD) remained stable at EUR 0.7 billion.

At the end of 2024, the average rating of the total portfolio stood at BBB+ and the average residual life of the portfolio stood at 9.3 years.

Credit guarantees

At the end of 2024, the credit guarantees portfolio amounted to EUR 1.9 billion, stable compared to December 2023. It relates essentially to Financial Guarantees (booked in Amortised Cost) and Credit Default Swaps (booked in Fair Value through P&L) issued on corporate bonds (95%), public issuer bonds (2%) and ABS (3%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incorporated in the bond itself and the protections purchased by Belfius, mainly from various monoline insurers (US reinsurance companies, essentially Assured Guaranty) resulted in a portfolio that is 97% investment grade in terms of credit risk profile. The most important risk is a credit default swap position on a Mexican RMBS which saw its credit quality significantly deteriorate following an earlier change in indexation.

[10] Includes rating impact from bought credit protection for some ALM yield bonds. One notch decrease of average rating is linked to a downgrade of a few positions within the portfolio.

At the end of 2024, the average rating of the portfolio stood at A. The average residual life of the portfolio stood at 8.5 years.

Other Group Center activities

Other activities allocated to Group Center include:

- the interest rate and liquidity transformation activity performed within ALM, after internal transfer pricing with commercial business lines, including the use of derivatives for global ALM management;
- the management of two legacy loan files inherited from the Dexia era, i.e. the investment loans to two groups in liquidation, namely Gemeentelijke Holding/Holding Communal and some Arco entities;
- the flow management, including hedge management, of internal and external interest rate derivative flows given that Group Center is the Belfius Competence Centre for interest rate derivatives;
- treasury activities (money market activities); and
- the results including revenue and costs on assets and liabilities not allocated to a specific business line.

The Group Center of Belfius Insurance is also fully allocated to these other Group Center activities. The Belfius Insurance Group Center contains income from assets not allocated to a specific business line, the cost of Belfius Insurance's subordinated debt, the results of certain of its subsidiaries and costs that are not allocated to a specific business line.

Financial results GC in 2024

In 2024, **total income** amounted to EUR 34 million, that is EUR 91 million less than in 2023. This change is due to the net interest income, which was affected by a shift in the product mix of commercial liabilities and a more significant increase in the internal transfer rate on maturing deposits compared to commercial assets, due to the inverted yield curve.

Total costs increased from EUR -77 million in 2023 to EUR -86 million in 2024.

The **gross operating income** decreased from EUR 47 million in 2023 to EUR -52 million in 2024.

The **cost of risk** stood at EUR -7 million in 2024, compared to EUR -25 million in 2023 which was impacted by the loss on sale of ALM Liquidity portfolios.

There is no **impairment on (in)tangible assets** in 2024 as in 2023.

Pre-tax income stood at EUR -60 million in 2024 compared to EUR 22 million in 2023.

Taxes amounted to EUR +20 million in 2024 compared to EUR -7 million in 2023.

As a result, Belfius' **GC net income group share** amounted to EUR -41 million in 2024, compared to EUR 15 million in 2023.

Excluding special items, the **adjusted net income GC** stood at EUR -31 million in 2024, compared to EUR 24 million in 2023.

Financial Results GC

(in millions of EUR)	2023	2024
INCOME	**125**	**34**
Net interest income bank	172	47
Net fee and commissions bank	-13	-15
Life insurance income	0	0
Non-life & Health insurance income	0	0
Other income	-35	2
COSTS	**-77**	**-86**
GROSS INCOME	**47**	**-52**
Cost of Risk	-25	-7
Impairments on (in)tangible assets	0	0
RESULT BEFORE TAX	**22**	**-60**
Tax (expense) income	-7	20
NET INCOME AFTER TAX	**16**	**-40**
Non-controlling interests	1	1
NET INCOME GROUP SHARE	**15**	**-41**
ADJUSTED NET INCOME GROUP SHARE[1]	**24**	**-31**

(1) Adjusted results are Alternative Performance Measures and are defined and reconciled in the APM-document on the website: www.belfius.com.

CAPITAL MANAGEMENT

This chapter is an integrated part of the consolidated annual financial statements.

Capital management at the bank[11]

1. Prudential supervision

1.1. Minimum Requirement

Belfius Bank reports on its solvency position on a consolidated level and on a statutory level in line with the revised Capital Requirements Regulation and Directive, commonly referred to as CRR 2 and CRD 5:

- the minimum capital requirements ("Pillar 1 requirements") as defined by Article 92 of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (CRR 2);
- the capital requirements that are imposed by the SREP decision (Supervisory Review and Evaluation Process) pursuant to Article 16(2)(a) of Regulation (EU) No 1024/2013 and which go beyond the Pillar 1 requirements ("Pillar 2 requirements");
- the combined buffer requirement as defined in Article 128(6) of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU (CRD 5).

Minimum CET1 capital ratio Requirement

(in %)	2023	2024
Pillar I minimum	4.50%	4.50%
Pillar II requirement	1.204%	1.215%
Capital conservation buffer	2.50%	2.50%
Buffer for (other) domestic systemically important institutions	1.50%	1.50%
Countercyclical buffer	0.13%	1.03%
Sectoral systemic risk buffer	0.27%	0.19%
MINIMUM CET 1 CAPITAL RATIO REQUIREMENT	10.099%	10.931%
Pillar II guidance	0.75%	1.00%
MINIMUM CET 1 CAPITAL RATIO GUIDANCE	10.849%	11.931%

Following the annual "Supervisory Review and Evaluation Process" finalized at the end of 2023 and taking into account the sectoral systemic risk buffer for Belgian residential real estate exposures (notified by the NBB in May 2022), Belfius has to comply with a minimum CET 1 capital ratio for 2024 of 10.931% (before Pillar 2 Guidance).

- a Pillar 1 minimum of 4.5%;
- a Pillar 2 Requirement (P2R) of 1.215% (after split of 2.16% P2R);
- a capital conservation buffer (CCB) of 2.5%;
- a buffer for (other) domestic systemically important institutions (O-SII buffer) of 1.5% (imposed by the National Bank of Belgium);
- a sectoral systemic risk buffer of 0.19%;
- a countercyclical capital buffer (CCyB) of 1.03%.

Note that the Pillar 2 Requirement (P2R) was set at 2.16% (to compare with 2.14% in 2023) to be held in the form of 56.25% CET1 capital and includes a prudential add-on for non-performing exposures of 16 bps.

Also note that the countercyclical buffer was set at 1.03% (to compare with 0.13% in 2023), an increase of 90 bps mainly following the change in countercyclical buffer rate for Belgium in the second and fourth quarter of 2024.

Note that in line with the resilience of Belfius in the EBA stress test, the Pillar 2 Guidance (P2G) is set at 1% on the CET1 ratio. As a result, Belfius has to comply with a minimum CET1 ratio of 11.931% for 2024 (to compare with 10.849% in 2023).

[11] Unaudited.

The consolidated CET 1 capital ratio of Belfius at the end of December 2024 stood at 15.39%, well above the 2024 applicable CET 1 capital ratio requirement of 10.931%.

Further to these regulatory requirements, Belfius stated in its Risk Appetite Framework that, in normal market circumstances and under stable regulations, it would strive to respect a minimum operational CET 1 ratio of 13.5%, on solo and consolidated level.

Note that the prudential treatments regarding loss absorbency (Minimum Requirement Eligible Liabilities – MREL) are disclosed in chapter 7 hereunder.

1.2 Applied methodology

Following the amendments of CRR article 473a in 2020, Belfius requested and was granted by the ECB the application of transitional measures for the first time adoption impact and all subsequent impacts of IFRS 9 on the expected credit loss model as from 31 December 2020 onwards. As a result, the solvency metrics are referenced as "transitional" for both the CET 1 capital and the risk exposure amounts. These transitional measures apply until 31 December 2024.

The regulator authorized Belfius to apply article 49 of the CRR and to monitor and report solvency within the prudential scope, where Belfius Insurance is accounted for using the equity method (i.e. not fully consolidated), and to include all capital instruments of Belfius Insurance, subscribed by Belfius Bank, in the total regulatory risk exposure by applying a weighting of 370% (the so-called "Danish Compromise").

In addition to the CRR 2/CRD 5 regulations, Belfius is considered as a financial conglomerate with significant banking and insurance activities and is required to comply with the Financial Conglomerate Directive (FICOD 2002/87/EC). For this purpose, specific reporting requirements with financial statements, regulatory capital, risk concentration, intragroup transactions and leverage ratio are sent to the regulator. These calculations and reports are made on the consolidated position of the Bank and insurance group.

At the end of December 2024, Belfius complied with all requirements requested from a financial conglomerate point of view.

2. Regulatory own funds at a consolidated level

As indicated above, for regulatory reporting purposes, Belfius Insurance group is not consolidated but accounted for using the equity method. As a result, the core shareholders' equity and consolidated net income reported in the consolidated financial statements are equal to those reported in the regulatory reporting used for the regulatory core own funds.

At the end of 2024, the starting point for the regulatory core own funds amounted to EUR 12,195 million and was equal to the core shareholders' equity in the consolidated financial statements. The increase of EUR 704 million compared with the end of 2023 stems mainly from the result of 2024 of EUR 1,127 million versus EUR 1,115 million as well as the increased reserves and retained earnings (EUR 692 million) following the integration of last year's result (EUR 1,115 million) after the dividend payment (EUR 440 million) over 2023, the realized result on equity instruments, mainly at Belfius Insurance, amounting to EUR 33 million (compared to EUR 6 million end 2023) and the payment of dividends on the additional Tier 1 instrument amounting to EUR -14 million end of 2024.

Regulatory own funds

(in millions of EUR)	31/12/23	31/12/24
STARTING POINT FOR THE REGULATORY CORE OWN FUNDS	11,491	12,195
DEDUCTION OF FORESEEABLE DIVIDEND	-443	-448
TRANSITIONAL MEASURES ON IFRS 9 PROVISIONS	88	24
GAINS AND LOSSES NOT RECOGNISED IN THE STATEMENT OF INCOME	322	201
Remeasurement defined benefit plans	126	97
OCI reserves - portfolios measured at FVTOCI	196	104
Other reserves	-129	-209
Prudential filter on the fair value reserves related to gains and losses on cash flow hedges on financial instruments	129	209
DEDUCTIONS AND PRUDENTIAL FILTERS	-371	-412
Investments in securitisation positions	0	0
Deferred tax assets on losses carried forward	0	0
Changes in the value of own credit standing	-8	-6
Value adjustments due to the requirements for regulatory prudent valuation	-60	-79
Intangible fixed assets	-90	-112
Goodwill	-104	-104
Shortfall of provisions over expected losses for IRB portfolios	-1	-4
Defined Benefit Pension Plan assets	-40	-49
Payment Commitments IPC	-31	-31
NPE insufficient loss coverage	-38	-28
Additional deduction due to CRR Art 3	0	0
COMMON EQUITY TIER 1 CAPITAL (CET1 CAPITAL)	11,087	11,560
Additional Tier 1 capital instruments	497	497
TIER 1 CAPITAL	11,584	12,056
Tier 2 capital instruments	1,369	1,770
Excess of provisions over expected losses for IRB portfolios	201	32
General credit risk adjustments SA (standard approach)	149	121
TIER 2 CAPITAL	1,718	1,923
REGULATORY OWN FUNDS (AFTER APPROBATION OF RESULT)	13,302	13,980

At the end of 2024, CET 1 capital amounted to EUR 11,560 million, compared with EUR 11,087 million at the end of 2023. The increase in CET 1 capital of EUR 473 million resulted mainly from the increase in regulatory core own funds by EUR 704 million partially offset by a decrease of “gains and losses not recognized in the statement of income” for EUR 121 million, the increased correction for foreseeable dividend for EUR 5 million (amounting to EUR 448 million in 2024 compared to EUR 443 million in 2023, both based on a 40% pay-out ratio and including the AT1 cost), the decreased add-back of IFRS 9 provisions following the transitional arrangements stated in the CRR 2 for EUR 64 million, and an increase of the prudential deductions for EUR 41 million.

(in millions of EUR)	
Consolidated net result 2024	1,126.9
Correction for coupon for AT1 holders, after tax	-15.5
Pay-out ratio 2024 (capital and dividend policy)	40%
Foreseeable dividend for ordinary shares	444.5
Paid interim dividend	0
Remaining foreseeable dividend for ordinary shares	444.5
Remaining coupon for AT1 holders for 2024	3.9
Total foreseeable dividends to deduct from undistributed profit	448.5

The deduction for foreseeable dividends, as stipulated in article 3 of CRR2, amounts to EUR 448.5 million, the sum of the proposed ordinary dividend of EUR 444.5 million based on the pay-out ratio of 40% on the result of 2024 and the correction for the Additional Tier 1 cost (accounting wise to be treated as dividend) for EUR 4 million (which slightly increased compared to 2023 following the partial replacement in the last quarter of 2024 of the AT1 instrument).

Furthermore, the transitional measure IFRS 9 on impairments amounts to EUR 24 million, the decrease of EUR 64 million is mainly due to the degressive character of this transitional measure of EUR 43 million (decrease of the multiplicators) and the decrease of the current stock of impairments of EUR 21 million.

The "gains and losses not recognized in the statement of income" amount to EUR 201 million, the decrease of EUR 121 million is stemming from the sum of the net decrease of EUR 47 million of the fair value revaluations on assets mainly at Belfius Insurance, the decrease of EUR 45 million of the (re)insurance finance component at Belfius Insurance and the decrease of EUR 29 million in the remeasurement of defined benefit pension plans.

The prudential deductions amounted to EUR -412 million (compared to EUR -371 million in 2023), the increase mainly relates to:

- an increase in the deduction of software and other intangible assets of EUR 21 million following increased activated software eligible for prudential amortization;
- an increase of the deduction of Defined Contribution net pension plan assets of EUR 9 million due to the evolution of the plan assets and the discount rate;
- an increase of the deduction for additional value adjustments for regulatory prudent valuation of 19 million due to increased model risk;
- an increase of the shortfall of provisions over expected losses for IRB portfolios of EUR 2 million; partially offset by
- the decrease of insufficient loss coverage for Non Performing Exposures of EUR 9 million due to exposures which are no longer in scope of the NPE regulation and methodological refinements for the selection of exposures;
- a decrease of EUR 1 million of the deduction for own credit risk;
- note that the deduction for goodwill and for irrevocable payment commitments (IPC) with regard to single resolution funds remained stable.

The significant and non-significant investments in own funds instruments of financial entities and the stock of not recognized deferred tax assets remain below the thresholds for deduction of the regulatory own funds and are included in the credit risk exposure amount.

Tier 1 capital amounted to EUR 12,056 million, compared with EUR 11,584 million at the end of 2023, the increase of EUR 473 million is related to the increase in CET 1 capital. The Tier 1 capital includes an additional Tier 1 instrument of EUR 500 million (nominal value). The instrument issued in 2018 was partially replaced by a new issuance in November 2024 without impact on the useful prudential value.

Tier 2 capital increased to EUR 1,923 million compared with EUR 1,718 million at the end of 2023. The increase of EUR 205 million was related to the increase of EUR 402 million of the regulatory value of Tier 2 capital instruments, due to the issuance of EUR 500 million Tier 2 notes in March 2024 and the decreased regulatory value of existing instruments for EUR 97 million. The other Tier 2 elements decreased with EUR 197 million, the excess of provisions in comparison to expected losses for IRB portfolios decreased by EUR 169 million and the general credit risk adjustments for SA portfolios decreased by EUR 28 million due to model changes in credit risk.

We refer to the disclosure in the financial statements regarding subordinated debts for a brief description of the additional Tier 1 and Tier 2 instruments and to the detailed characteristics of these instruments in the Pillar 3 – Risk Report.

At the end of 2024, total regulatory own funds amounted to EUR 13,980 million, compared with EUR 13,302 million at the end of 2023.

3. Regulatory risk exposure at a consolidated level

Total Risk Exposure Amount (TREA) includes risk-weighted exposures for credit risk including counterparty credit risk, CVA risk, market risk and operational risk. Each of the underlying risks is detailed in this report (section IV, V & VII). The risk exposure amount also stems from the Danish Compromise, whereby the capital instruments issued by Belfius Insurance and held by Belfius Bank are included in the TREA via a weighting of 370%.

(in millions of EUR)	31/12/23	31/12/24	Evolution
Regulatory credit risk exposure	52,793	60,133	7,340
Regulatory CVA exposure	406	300	-106
Regulatory market risk exposure	2,369	1,639	-731
Regulatory operational risk exposure	4,015	4,340	325
Danish Compromise	8,422	8,683	261
Additional risk exposure (Art 3 CRR)	1,498	0	-1,498
REGULATORY RISK EXPOSURE	**69,504**	**75,094**	**5,591**

At the end of December 2024, Belfius TREA amounted to EUR 75,094 million, an increase by EUR 5,591 million compared to EUR 69,504 million at the end of 2023.

The risk exposure amount for credit risk amount including counterparty credit risk increased by EUR 5,842 million to EUR 60,133 million. The evolution is mostly explained by:

- the commercial growth in Franchise activities, mostly driven by the corporate segment (EUR +3.2 billion);
- the impact of Belfius model landscape review and implementation of the new non retail models (EUR +3 billion) covering:
    - the reversal to standardized and foundation approach of some low default portfolios;
    - the implementation of a new LGD and PD model for non-retail exposures;
    - the implementation of a new model for non-performing exposures in the non-retail;
- Group Center evolution benefitting from market parameters evolution (UK real rate) and exposures rebalancing (EUR -0.3 billion).

The risk exposure amount for the Danish Compromise increased by EUR 261 million to EUR 8,683 million.

The risk exposure amount for CVA decreased by EUR -106 million in line with a slight decrease in exposures.

The risk exposure amount for market risk decreased by EUR -731 million thanks to the removal of some add-ons, the general evolution in VaR levels, evolution in equity positions and some unwinds.

The risk exposure amount for operational risk increased by EUR +325 million in line with Belfius revenues.

4. Solvency ratios for Belfius Bank at a consolidated level

At the end of 2024, the CET 1 capital ratio amounted to 15.39%, a decrease by 56 bps compared to 2023. Note that this transitional CET 1 capital ratio takes into account the transitional IFRS 9 measures with impacts on prudential capital and risk exposure for 3 bps, a decrease by 11 bps compared to the end of 2023.

The decrease in CET 1-capital ratio is the result of higher risk exposures (-124 bps) partially compensated by the increase of the prudential capital (+68 bps).

At the end of 2024, Tier 1 capital ratio amounted to 16.06%, a decrease by 61 bps compared to 2023.

The total capital ratio amounted to 18.62%, a decrease by 52 bps compared to the end of 2023.

Note that without the application of the IFRS 9 transitional measures, the fully loaded CET 1 capital ratio would amount to 15.36%, the Tier 1 capital ratio would amount to 16.02% and the Total Capital ratio would decrease by 4 bps amounting to 18.58%.

CRR 2/CRD 5	31/12/23 Transitional		31/12/24 Transitional	
	Danish Compromise	Deduction method	Danish Compromise	Deduction method
Common Equity Tier 1 capital ratio (CET 1-capital ratio)	15.95%	16.32%	15.39%	15.68%
Tier 1 capital ratio (T1-capital ratio)	16.67%	16.83%	16.06%	16.15%
Total Capital Ratio	19.14%	18.97%	18.62%	18.42%

Applying the “Danish Compromise” compared with the deduction method for capital instruments of Belfius Insurance (equity deducted from CET 1 capital and subordinated debt instruments deducted from Tier 2 capital) would have the following impacts: an increase of 29 bps of the CET 1-capital ratio and a decrease of 20 bps of the Total Capital ratio.

5. Solvency ratios for Belfius Bank at a statutory level

At the end of December 2024, CET 1-capital ratio on Belfius Bank statutory level amounted to 14.96% compared to 14.87% end 2023, due to an increase in prudential capital.

At the end of December 2024, the available distributable items on statutory level amounted to EUR 6,048 million.

6. Leverage ratios for Belfius Bank at a consolidated level

The leverage requirement is, as from June 2021, a binding CRR 2 requirement. The CRR 2 integrated the leverage ratio in the Pillar I requirement and set the level of minimum requirement at 3%, and a surcharge has also been fixed by the EBA for G-SIB with a mandate to analyze whether some O-SIB (like Belfius) should be given the same or similar additional buffer requirement.

The leverage ratio is defined as the Tier 1 capital (the numerator) divided by the exposure measure (the denominator), computed as balance sheet assets after certain restatements on derivatives, securities financing transactions, off-balance-sheet items and prudential adjustments (for items already deducted from the numerator).

In order to be consistent with the calculation of the regulatory Tier 1 capital (numerator), the calculation of the leverage exposure (denominator) is based on the prudential consolidation perimeter, where Belfius Insurance is accounted for using the equity method.

Furthermore, the application of transitional measures for IFRS 9 provisions from December 2020 has an impact on the numerator (cf. above) and the denominator.

The risk of excessive leverage is managed through the Financial Plan process. The leverage ratio as defined in the CRR 2 is further an integrated part of the Risk Appetite Framework for which internal limits and targets are set and which is validated by the Board of Directors. The risk of excessive leverage is included in the Belfius reporting and control processes and is monitored regularly. Any important deviation and/or prudential changes in the leverage ratio is reported to the appropriate committees for management actions. Please note that Belfius stays well below the prudential threshold indicators of 8% on SFT leverage exposure and derivatives leverage exposure.

At the end of 2024, the Belfius transitional leverage ratio stood at 6.46%, a decrease by 9 bps compared with the end of 2023 and well above the minimum pillar 1 requirement of 3%.

The decrease is the result of positive effects (+27 bps) from the higher level of Tier 1 capital (see above) and the negative effect (-36 bps) from the increased total leverage exposure measure due to:

- a significant increase in other assets following the increase in customer loans, an increase of the ECB deposit facility and an increase of investments in government and corporate bonds;
- an increase of the SFT add on stemming mainly from decreased collaterals for off balance commitments on reverse repo transactions; and
- an increase for the off balance leverage exposure stemming from a shift in conversion factor (CCF) linked to increased maturity dates for unused credit lines although the accounting exposures have decreased;
- the leverage exposure value for derivatives remained stable.

(in millions of EUR)	31/12/23 Transitional	31/12/24 Transitional
TIER 1 CAPITAL	**11,584**	**12,056**
Total assets	179,179	187,457
Deconsolidation of Belfius Insurance (equity method)	-15,791	-16,624
Adjustment for derivatives	-5,604	-4,589
Adjustment for securities financing transactions exposures	1,597	2,345
Adjustment for Central Banks reserves	0	0
Adjustment for prudential corrections in calculation of Tier 1 capital	-185	-272
Off-balance sheet exposures	17,658	18,337
LEVERAGE RATIO EXPOSURE	**176,854**	**186,654**
LEVERAGE RATIO (in %)	6.55%	6.46%

Please note that the fully phased-in leverage ratio, excluding the transitional measures for IFRS 9 provisions would decrease by 1 bp.

7. Minimum requirement for own funds and eligible liabilities

On 4 December 2024, the NBB notified Belfius that going forward it has to execute the SRB MREL instruction regarding the minimum requirement own funds and eligible liabilities at the consolidated level of Belfius Bank under BRRD2. For Belfius Bank, the MREL requirement on a consolidated basis is set at 23.69% of Total Risk Exposure Amount (TREA) and 7.12% of Leverage Ratio Exposure (LRE). Belfius Bank must meet both targets no later than 4 December 2024.

The SRB MREL instruction also defines a subordination requirement: Belfius Bank must meet at least 13.73% of TREA and 7.12% of LRE by means of subordinated MREL. Own funds used to meet the combined buffer requirement (CBR) set out in Directive 2013/36/EU (at 5.22% of TREA for Belfius currently) are not eligible to meet the requirements expressed in TREA. Belfius Bank must comply with this subordination requirement from 4 December 2024 onwards.

Belfius meets its new MREL requirements end 2024. Indeed, expressed in TREA, Belfius MREL (of EUR 22.8 billion) amounts to 30.37%, to be compared with 28.91% as 2024 requirement (including CBR).

In the same way, Belfius MREL sub capacity of EUR 16.4 billion amounts to 21.77% of TREA, to be compared with 18.95% in terms of requirement (including CBR). Expressed in LRE, Belfius MREL sub capacity of 8.8% stands in excess of 7.12% MREL requirement.

Capital management at Belfius Insurance[12]

1. Prudential supervision

Belfius Insurance is under the prudential supervision of the National Bank of Belgium (NBB). The company is required to submit a quarterly report on its solvency margin and liquidity at the statutory level.

As a systemic insurer, Belfius Insurance also provides the NBB with detailed information on its strategy, Asset-Liability Management (ALM) policy, and the adequacy of its technical provisions.

2. Regulatory own funds

The regulatory own funds available and eligible to meet the solvency capital requirements at Belfius Insurance are calculated according to the valuation and eligibility principles set out in the Solvency II regulation (Directive 2009/138/EC).

As of December 2024, these funds amounted to EUR 2,090 million, including a foreseeable dividend. The composition of these funds is 79% Tier 1 capital (which includes a grandfathered Tier 1 perpetual loan), EUR 351 million in Tier 2 capital (mainly from two subordinated loans provided by Belfius Bank), and EUR 90 million in Tier 3 capital (related to a deferred tax asset).

Compared to December 2023, the regulatory own funds of Belfius Insurance have increased by EUR 29 million, after a foreseeable dividend of EUR 136 million.

At year-end, interest rates were lower than the previous year; however, the credit spread increased. Ultimately, this had a positive impact on the assets, which was almost fully offset by an increase in best estimate liabilities and the foreseeable dividend.

Belfius Insurance consolidated

(in millions of EUR)	31/12/23	31/12/24
AVAILABLE FINANCIAL RESOURCES BEFORE FORESEEABLE DIVIDEND	2,180	2,227
Tier 1	1,576	1,615
IFRS Equity	1,788	1,867
Valuation difference (after tax)	-212	-252
Restricted Tier 1	171	171
Tier 2	345	351
Subordinated debt	334	340
Others	11	11
Tier 3	87	90
DTA	87	90
AVAILABLE FINANCIAL RESOURCES AFTER FORESEEABLE DIVIDEND	2,061	2,090
AFR before foreseeable dividend	2,180	2,227
Foreseeable dividend	118	136

3. Solvency requirement

[12] Unaudited.

Belfius Insurance's risks are assessed under the Solvency II requirements applicable to all EU Member States. The Solvency Capital Requirement (SCR) is calculated based on the company's asset and liability portfolio and some investment entities that are consolidated for Solvency II purposes.

The SCR is determined using the "Standard Formula" as defined in the Solvency II regulation, incorporating a volatility adjustment and a transitional measure for equities. Additionally an extra restriction on the use of Loss Absorbing Capacity of Deferred Taxes as mandated by the NBB is applied.

By the end of December 2024, the SCR was EUR 1,067 million, an increase of EUR 12 million compared to the end of 2023.

Market risk, primarily due to spread and equity risk, remains an important contributor to the required capital. Interest rate risk was limited due to Belfius Insurance's ALM management, which aims to minimize the duration gap between assets and liabilities. The Life Insurance risk decreased over the year aligned with the evolution of the interest rates. The Non-Life Insurance risk increased aligned with the growth strategy of the business.

(in millions of EUR)	31/12/23	31/12/24
SOLVENCY II CAPITAL REQUIREMENT	**1,055**	**1,067**
Market Risk	670	706
Credit Risk	133	103
Insurance Risk	804	803
Operational Risk	83	86
Diversification	-539	-530
Loss absorbing capacity of technical provisions and deferred taxes	-96	-101

4. Solvency ratios at Belfius Insurance

At the end of December 2024, the Solvency II ratio of Belfius Insurance was 209% before the foreseeable dividend, and 196% after dividend. This represents a minor increase from the previous year's 195%, attributed to an increase in SCR more than fully compensated by the rise in Available Financial Resources (AFR) after the foreseeable dividend.

The Board of Directors has proposed a dividend of EUR 136 million for FY 2024, with the remaining profit to be allocated in retained earnings.

Belfius Insurance has set a minimum operational Solvency II ratio of 160%, above the regulatory requirement of 100%, given current market conditions and regulations.

Solvency II-ratio

(in %)	31/12/23	31/12/24
Solvency II ratio (before dividend)	207%	209%
Solvency II ratio (after dividend)	195%	196%

In addition to the establishment of a complete risk framework, Solvency II regulations also require a self-assessment, considering the business plan, to estimate future capital buffers and conduct sensitivity analyses. Belfius Insurance's assessments indicate that it has adequate capital margins to absorb shocks, as per the Risk Appetite Framework approved by the Board of Directors.

	Shock	Solvency II Ratio (in %)
Base case (after dividend)		196%
Stress scenarios		
Interest rate	-50 bps	200%
Equity	-30%	185%
Credit Spread		
Credit spread on corporate bonds	+50 bps	201%
Credit spread on government bonds	+50 bps	177%
Credit spread on corporate & government bonds	+50 bps	180%
Real Estate	-15%	187%
No Volatility Adjustment (VA)		177%
Ultimate forward rate (UFR) @ 3%		195%

Various stress tests show the impact on the Solvency II ratio:

- A 50 basis points (bps) fall in interest rates would increase the ratio by 4 percentage points (pp);
- A 30% stock market drop would reduce the ratio by 11 pp;
- A 15% decline in the real estate portfolio would decrease the ratio by 9 pp;
- A 50 bps rise in credit spreads would lead to a 16 pp drop;
- Eliminating the Volatility Adjustment would reduce the ratio by 19 pp;
- Reducing the Ultimate Forward Rate (UFR) to 3% would decrease the ratio by 1 pp.

Capital Adequacy[13]

1. Economic capital

As required by Pillar 2 of the Basel regulation, Belfius has an internal mechanism for the quarterly monitoring of the main risk appetite and capital adequacy ratios. This quarterly reporting is completed with a monthly monitoring addressing some of the key risk appetite and capital adequacy ratios.

1.1. Definition

The economic capital is defined as the potential deviation of Belfius' economic value from its expected economic value, and this within a given interval of confidence and time horizon. The confidence threshold (99.94%) chosen for scenarios involving losses in value corresponds to the Bank's targeted senior unsecured debt rating at a horizon of one year (A rating for 2024).

The economic capital quantification process is organized in three phases: identifying the risks (definition and cartography, reviewed on an annual basis, in collaboration with the various business lines), measuring the risks (mainly on the basis of statistical methods and/or scenarios) and aggregating the risks based on an inter-risk correlation matrix.

Most risks are capitalized based on measuring the unexpected loss. However, if alternative management techniques (limits, other buffers than capital, governance) are considered more appropriate to cover them, some risks are not capitalized.

The economic capital is central in the context of Belfius' risk appetite and is also complementary to the Stress Test framework for Internal Capital Adequacy Assessment Process (ICAAP) purposes. It is also involved in pricing as well as in the assessment of Belfius' profitability.

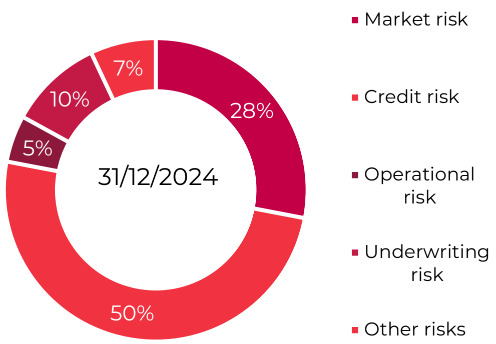
[13] Unaudited.

1.2. Economic capital adequacy

The Management Board is responsible for managing the capital level and allocation process and has authority in all matters relating to economic capital informed by output of various economic capital models and monitoring of ratios, limits and triggers (regulatory and economic levels).

Belfius' economic capital was EUR 7,211 million at the end of December 2024 (against EUR 6,661 million at the end of 2023).

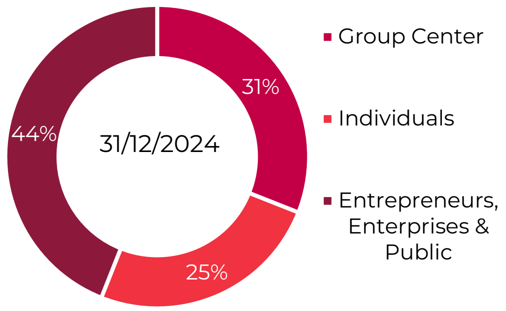
Breakdown of economic capital by type of risk



Credit risk represented approximately 50% of the economic capital and was the main contributor; market risk (inter alia including interest rate risk, foreign-exchange rate risk, spread risk and equity risk) was 28%, underwriting risk 10%, operational risk 5% and other risks (prepayment, funding,...) 7%.

By business line, the economic capital was allocated as follows: Individuals and Entrepreneurs, Enterprises & Public represented 25% and 44% respectively of Belfius' economic capital; the balance was made up of 31% allocated to the Group Center (mainly for Belfius' general balance sheet management in terms of interest and funding risks, including the bonds investment portfolios and for the portfolios of derivatives and run-off credit guarantees).

Breakdown of economic capital by business line



RISK MANAGEMENT

This chapter is an integrated part of the consolidated annual financial statements.

Introduction

Belfius' activities are exposed to a number of risks such as - but not exclusively - credit risks, market risks, liquidity risk, non-financial risk, insurance risk, changes in regulations, the macroeconomic environment and geopolitical risks in general, that may also have a negative impact on the Bank's balance sheet and profit and loss accounts.

To manage adequately these risks, Belfius has put in place a sound governance, including a robust risk framework and a sound risk culture.

1. Macroeconomic environment in 2024

The Belgian economy grew by 1.0% in 2024 and saw quarterly GDP growth accelerating in the second half of the year. Industry experienced a decline of 1.0% while construction grew 1.0% and services added 1.3%.

The euro area economy grew by 0.7% in 2024 as Germany, the largest economy of the single currency bloc, continued to struggle with an industrial recession.

1.1. Investments and consumption

Household consumption accelerated in the third quarter, in line with the rebound in consumer sentiment. Fixed capital formation by households in dwellings continued to decline throughout the year. The harmonized unemployment rate rose from 5.7% at the start of the year to 6.0% and ended the year in December at 5.8%.

Investments by companies weakened in the second half of the year in line with low readings of confidence in business surveys in Belgium and other euro area countries. Net trade contributed negatively to activity growth in 2024 due to high European energy prices and subdued trade growth. Looking forward, implementation of tariffs by the U.S. may further dampen export growth.

1.2. Inflation

Inflation in Belgium has shot up again this year, mainly due to technical effects. For example, energy inflation increased again due to the loss of government energy support this year. If we disregard the volatile elements of inflation (namely energy and food prices), we get core inflation, which was on a downward path this year. In December, the harmonized index of consumer inflation stood at 4.4%, while core inflation had fallen to 2.6%, which is however still a high figure. In the euro area, average inflation declined from 2.8% at the start of the year to 2.4% in December 2024.

1.3. Monetary Policy

Starting from June 2024, the ECB lowered its policy rate, from 4% in June to 3% in December. The central bank is expected to ease monetary policy further in 2025, provided inflationary pressures continue to ease.

1.4. Fiscal Policy

The government deficit is likely to have increased to 4.6% of GDP in 2024. We expect an improvement in 2025 thanks to the recently announced budgetary measures of the new federal government, which will be assessed in the coming months. The Belgian government debt increased to 104.6% of GDP in 2024.

At the eurozone level, the debt-to-GDP ratio rose to 87.8% of GDP in 2024. Last year, the deficit was 3.2%.

2. Ratings

Between 1 January 2024 and 20 March 2025, the rating agencies took the following decisions:

- On 30 October 2024, S&P affirmed Belfius Bank's long-term rating at A with Stable outlook.

- On 28 June 2024, Moody's affirmed Belfius Bank's long-term rating at A1, and upgraded Belfius Bank's Standalone Rating (Baseline Credit Assessment or BCA under Moody's terminology) from baa1 to a3. The latter also resulted in an upgrade of the Non-Preferred Senior, the Tier 2 and the Additional Tier 1 rating with one notch. The outlook was subsequently changed to Stable from Positive;
- On 27 June 2024, Fitch affirmed Belfius Bank's long-term rating at A- with Stable outlook.

Ratings of Belfius Bank as at 20 March 2025

	Stand-alone rating[1]	Long-term rating	Outlook	Short-term rating
Fitch	a-	A-	Stable	F1
Moody's	a3	A1	Stable	Prime-1
Standard & Poor's	a-	A	Stable	A-1

(1) Intrinsic creditworthiness.

Governance

In line with Art. 194 of the Banking Law, Belfius is managing risks based on a group-wide[1], consolidated and integrated risk management framework. It assumes a risk-based approach to further strengthen the conglomerate dimension.

The overall objective is to have a risk management coordination at conglomerate level, ensuring consistency while respecting the entities' specificities, responsibilities and legal/regulatory obligations. The main pillars of this risk management are an appropriate risk governance structure, a robust and aligned risk framework, risk monitoring and decision-taking process.

The conglomerate dimension of Belfius' Risk Governance includes:

- At the level of the Board of Directors: joint (Belfius Bank and Belfius Insurance) RC/RUC's (Risk Committee / Risk & Underwriting Committee);
- At the level of the Management Board (strategic level):
  - A Group Management Committee (GMC), with potential conflicts dealt with at an Intra-group Committee (IGC) level;
  - A joint (Belfius Bank and Belfius Insurance) Non-Financial Risk Committee (NFRC), related to all NFR topics;
  - A Conglomerate Monitoring Committee (CMC), assuring an overview of all subsidiaries. Inter alia it tackles the risk management framework of each subsidiary;
- At a general risk level (tactical/operational level), several committees are 'joint' or 'Belfius Together' (BB: Belfius Bank; BI: Belfius Insurance and Belfius AM: Belfius Asset Management):
  - The Conglo Risk Executive Committee (Conglo Risk ExCom) with participation of the CRO of Belins and Belfius AM;
  - The Capital Group Committee (CGC) is a joint BB and BI committee;
  - The Investment Conviction Committee (ICC) is a joint BB, BI and Belfius AM committee;
  - The Assets & Liabilities Committee (ALCo) of Belins in which BB participates;
  - The Belfius AM Pricing & Methodology Committee in which BB participates;
- At specific risk level, several sub-domains have a common governance with 'Belfius Together' sub-committees for various risks:
  - The Information Security Committee;
  - The Anti-Fraud Steering Committee;
  - The Privacy Steering Committee;
  - The (Physical) Security Steering Committee;
  - The Outsourcing Management Committee;
  - A cross committee for ESG/Climate Risk;
  - ESG Model Steering Committee.

The three main entities (BB, BI and Belfius AM) have similar risk policies, guidelines framework and approach. They use similar and/or common tools ensuring consistency and enabling coherence as well as an integrated management of risks and internal controls:

- Risk Appetite Framework: defined and validated Group-wide by Belfius Bank and cascaded down to subsidiaries based on the RAF at a Group level and reflecting and monitoring their own (financial and non-financial) vulnerabilities and risks.;
- Risk Management & Control executed through the "Senior Management Report on the Assessment of the Internal Control";
- ICAAP (Internal Capital Adequacy Assessment Process) & Recovery Plan (Belfius Bank) and ORSA (Own Risk and Solvency Assessment; Belfius Insurance).

The Conglomerate dimension has been further developed with a closer oversight of all material subsidiaries, on other dimensions:

- Further alignment of major Risk policies in a conglomerate approach;
- The creation of a risk function in all material subsidiaries.

1. Risk Governance Structure

A performant risk governance structure is considered to be a central cornerstone to sound risk management. A robust risk committee set-up incorporates effective communication and reporting lines and a clear delineation of responsibilities and competences.

1.1. Risk Committees at a strategic level operating within the Management Board

Two risk committees have been set up within the Management Board of Belfius Bank, prepared by the Risk department and meeting several times a year:

- the Risk Policy Committee (RPC) surveys the definition and the implementation of the Bank's principal risk management and measurement policies, processes and methodologies, and supervises their validation status;
- the Non-Financial Risks (NFR) Committee ensures a well-governed and coordinated non-financial risk framework for an effective Non-financial risk management.

In addition to these two risk committees, four functional areas also report to the Management Board without a separate committee being set up for them:

- the Credit Risk Committee (CRC) centralizes all credit risk-related topics (origination, monitoring, impairment) into one committee with the presence of the Management Board members who are directly involved (CRO, Head of PBR & WEP);
- the Financial Markets Committee (FMC) has as its prime function the effective risk management oversight and steering of the Financial Markets activities. It is held once a month with a strict quorum including members of the Management Board (CRO, CFO and Head of WEP);
- the Assets & Liabilities Committee (ALCo): the ALCo has received a mandate to realize the effective ALM management within the regulatory framework. The Liquidity Management Committee has been mandated by the ALCo to take care of all aspects relating to liquidity management and steering as well as reporting;
- the Capital Group Committee (CGC) anticipates, understands, prepares, analyses and monitors all capital aspects at a conglomerate level (Bank, Insurance and related subsidiaries) in compliance with regulatory, legal and economic constraints. It also acts as Prudential Watch Committee (PwaC).

1.2. Risk Committees on tactical/operational level

The Management Board delegates certain decisions to a tactical/operational level. The details of this delegation are set out in the applicable committee charters. For matters that fall outside this delegation, the tactical/operational level provides information or puts forward opinions to the Management Board, which then decides.

The committees that are part of the tactical/operational level are committees on which the Risk department generally participates alongside business divisions. Risk committees which are steered by the Risk department focus mainly on risk appetite and methodology. Risk/Business committees which are steered jointly by the Risk department and Business focus mainly on guidelines, transactions and risks at a counterparty level. The Risk department has a veto right in many of these committees, as well as the right to bring files for decision to a higher governance level.

2. Risk appetite

Risk appetite is the level of risk that an institution is prepared to take given the expectations of the main stakeholders (shareholders, creditors, regulators, rating agencies, customers, employees, …), in order to ensure the safeguard of a sound risk and financial profile. This risk appetite is defined by the Board of Directors, on proposals from the Management Board. The Risk Department prepares the Management Board's proposals and the Board of Directors' decisions, and also sets the rules and the framework for implementation of those rules.

Based on a holistic approach, risk appetite is a central reference point:

- for guiding strategy and planning;
- for framing performance in terms of growth and value creation;
- for facilitating day-to-day operating and commercial decisions.

The Bank's risk appetite consists of a series of quantitative elements (Key Risk Indicators) and qualitative elements (statements) that are designed to express the risk levels that are not acceptable, that are tolerated and targeted in order to achieve the business strategy. They reflect also the risk culture (eg ethics, tax, compliance, fraud, …). The quantitative framework is based on a mix of accounting ratios (gearing), regulatory ratios (solvency, liquidity), economic ratios (economic capital, earnings at risk) and internal KRIs. The different metrics cover a wide range of risks (credit risks, solvency, liquidity, market risks, concentration risks, non-financial risks, compliance risks, model risks, ESG risks …).

Limits have been defined for each of these ratios with different zones, which lead to different governance and measures in case of breach. They are reviewed and updated on a yearly basis by the competent bodies. The Risk department is responsible for monitoring these ratios and, if risk appetite is breached, for proposing measures to the Management Board to ensure the limits are met back within a reasonable timeframe.

The RAF is deployed in the main subsidiaries, thereby allowing for increased consistency throughout the group and close monitoring of the risk profile by the Conglomerate Monitoring Committee.

Next to the quantitative part, the qualitative statements consist of guiding rules aiming at defining the risk appetite that cannot be expressed through quantitative ratios.

As each year, the Risk Appetite Framework (RAF) has been updated and approved by the Board of Directors in December 2024.

3. Stress tests

Belfius conducts annual stress tests as part of the ICAAP to assess its ability to withstand adverse scenarios and identify vulnerabilities in its solvency, profitability, and liquidity position. Each year, these stress test scenarios are reviewed and updated to ensure they remain relevant and reflect current and potential threats. On top of this regular annual review, the Risk Management team conducts quarterly analyses of key changes in macroeconomic and interest rate assumptions outlined in the financial plan to monitor potential deviations from the base case and proximity to stress test scenarios.

The financial plan stress scenarios for 2025-2027 are built around the main macroeconomic uncertainties surrounding Belfius as well as its idiosyncratic risks. These scenarios examine the viability of the financial plan under severe and long-lasting economic recession characterized by trade fragmentation. Two adverse scenarios have been analyzed: (1) an economic slowdown combined with "high inflation" fueled by geopolitical tensions; and (2) "Hard landing", a deep economic recession, stemming from aggressive US tariff barriers on already fragilized sectors. These scenarios shed light on Belfius Group's sensitivity to two opposing evolutions of interest rates, each emphasizing specific competition level and client preferences.

The scenarios include comprehensive second-round effects and the solvency-liquidity feedback loop in this changing environment. The stress testing underscores the importance of proactive management and monitoring of vulnerable clients, as well as the need for a well-balanced hedging and pricing strategy to navigate the volatile interest rate environment.

On top of the financial plan stress tests, several reverse stress tests have been conducted on solvency and net interest income with tail risk events, a. o. on public sector entities allowing for an exhaustive risk identification. A dedicated reverse stress on non-financial risks, particularly on the losses related to external fraud, has allowed to better grasp the drivers of this increasing risk and their sensitivities.

Belfius confirms the adequacy of its solvency level in line with its strategic growth objectives while remaining capable of absorbing severe economic and idiosyncratic shocks. The income diversification strategy pursued by Belfius group, which includes both banking and insurance activities, reduces the stress associated with extreme fluctuations and reduces the dependency on activity income. Under the severe systemic shocks considered, Belfius will continue to support the Belgian economy.

Belfius participated in several ESG-related exercises led by the ECB and EBA, most notably the 2022 ECB economy-wide climate stress test and the one-off Fit-for-55 climate risk scenario analysis. Belfius also performed several internal climate stress tests. It assessed the financial impact of climate transition risks on its business and corporate customers and investees. It also evaluated the mortgage credit portfolio, considering the most prevalent transition and physical (flood) risks. The results of the climate stress tests conducted to date indicate that the impacts from climate and environmental risk drivers, although significant, remain fully manageable under the given scenarios, due to Belfius' resilience.

4. Recovery plan

Belfius has revised its Recovery Plan and submitted it to the ECB. This plan outlines a detailed governance and activation procedure for recovery measures that would be implemented to restore the bank's long-term viability in the event of a significant deterioration of the macroeconomic environment. The recovery plan includes a comprehensive set of measures to effectively address both solvency and liquidity needs with across various scenarios. Belfius has demonstrated that there are adequate recovery measures available to bring its ratios back above the recovery thresholds.

5. Resolution

Belfius cooperates with the Single Resolution Board to prepare resolution plans, in particular by providing them with all information conform the requirements. Workshops with the SRB and their communications (working priority letters) confirmed that Belfius has made significant progress in the last years in terms of quality, completeness and timely deliveries. Belfius remains fully committed to further develop its resolvability capabilities in accordance with the SRB expectations.

Credit risk

1. Methodology

For the management of its credit risks, Belfius uses an Advanced Internal Rating Based (AIRB) approach. This means that Belfius makes use of internal models for defining the key risk parameters Probability of Default (PD), Loss Given Default (LGD) and Credit Conversion Factor (CCF - the conversion of an available credit line in an expected amount draw down) for off-balance sheet commitments. Regarding the CCF parameter, Belfius makes a distinction between retail and non-retail counterparties: an advanced model is applied for retail counterparties, while non-retail counterparties use the regulatory values.

As a response to the latest EBA roadmap for the implementation of the regulatory review of internal models (focusing on the definition of default, PD and LGD estimations and the credit risk mitigation framework), and as a response to TRIM ("Targeted Review of Internal Models") findings, in 2020 Belfius set up a comprehensive model transformation plan for its AIRB models.

In that context a special attention is given to:

- enhancing the data quality framework for modelling;
- the implementation of a comprehensive Margin of Conservatism (MoC) framework;
- the review of low default portfolios' models, given that a limited number of observed defaults may jeopardize the model calibration.

This transformation plan will provide Belfius with a renewed set of models, as a cornerstone of the credit acceptance, loan life cycle management, credit risk management processes and reporting, and fully compliant with the latest regulatory requirements. Rationalization and simplification are two of the key principles that will guide this model portfolio transformation, where the following options are extensively studied (also with the finalization of Basel 3 standards in mind):

- applying an IRBA approach only to models with sufficient historical default and loss data; otherwise return to a less sophisticated approach;
- reducing the number of models by reviewing the model scope definition in line with the Belfius Strategy;
- simplifying the model structure of certain models (e.g. assess the adequacy and need of a qualitative questionnaire as part of the model development).

2024 was an intense year following implementation of the new model landscape (move to standardized approach for very low default portfolios) and operationalization of the new models on the new platform (non-retail PD and LGD models from the EBA repair program), resulting in the EUR 3 billion increase in RWA on year basis, as well as preparation for CRR3. Looking forward, CRR3 and the implementation of the new retail models in 2025 will positively impact RWA and the CET1 ratio, positioning the group well to implement an ambitious strategy. The new IRB models will be integrated in the IFRS9 models, which will also be improved progressively.

2. Credit limits and credit committee

One of the main pillars of Belfius' risk management is the robustness of its credit acceptance process. It relies on a large range of directives, delegation rules and various governance instruments aimed at strictly controlling credit risks.

Belfius has defined counterparty limits and delegations of credit decision authorities for various types of credit risks which are monitored systematically, reported every quarter to governance bodies and, on top of that, assessed each year by the Risk Committee and the Board of Directors.

Over the years, Belfius has developed a set of Policies and Guidelines which covers the full credit risk life-cycle.

Credit granting

The credit decision process within Belfius relies on three types of decisions:

- automated decisions where the customer's credit application is checked against a series of risks and commercial parameters, and in which the results from the scoring model plays an important role;
- delegated decisions, i.e. decisions taken by staff to whom, intuitu personae and based on the certification of their risk competencies, decision-taking powers have been delegated;
- regular decisions taken by credit committees organized into a pyramidal structure, with at its top Belfius' Management Board which has delegated parts of its decision power to 'lower' credit committees. In exceptional cases, the Board of Directors is involved in the decision-making process. This is the case for important individual and risk group exposures at boundaries of Belfius' Risk Appetite.

Belfius Bank has for years followed a strategy of being close to its customers:

- credit and risk committees have been highly regionalized and decision-making powers have been delegated to regional commercial and credit teams, both strengthening the principle of decision-by-proximity;
- this results in a strong involvement of the various teams in the decision-making process, as well as in a close monitoring of the use of the delegated powers mentioned above;
- it provides a significant added value to our customers, regardless of the segment in which they operate.

When granting credits to medium-sized and large enterprises as well as public sector and social profit customers, an individualized approach is applied:

- credit analysts examine the credit request autonomously and define the customer's internal rating;
- a credit committee or staff member(s) with decision-taking powers then takes a decision on the basis of various factors such as solvency, the customer relationship, the customer's prospects, the credit application and the collateral;
- in the analysis process, credit applications are carefully examined and only accepted if the perspective of continuity and the borrower's repayment capacity are demonstrated;
- to support the credit decision process a RoNRE (Return on Normative Regulatory Equity) is used in most cases to assess the expected profitability of the credit transaction or even of the full customer relationship.

Credit risk limit determination and monitoring

In order to manage its concentration risk, Belfius sets exposure limits at counterparty level as well as at the level of each risk group:

- these exposure limits are set on the basis of the customer's risk profile, the focus being mainly (but not exclusively) on his or her internal rating;
- they reflect Belfius' risk appetite in its individual customer relations and are as such part of the qualitative pillar of Belfius' Risk Appetite Framework;
- the allocation of such a limit does not imply that a customer is allowed to use it freely, as each transaction must be assessed and decided by the competent decision level.

Finally, the afore-mentioned counterparty limits are completed with a full set of portfolio limits and guidelines, including recently created additional indicators with regard to the commercial real estate segment, that are part of the Belfius Risk Appetite Framework:

- several business lines need to comply with additional portfolio guidelines whose aim is to limit specific risk concentrations;
- these guidelines can impose an upper limit for certain sector risk pockets, regardless of the individual credit quality and limits on counterparty and/or risk group level;
- they are monitored quarterly by Risk Management teams and reported to Belfius' Central Credit Committee and subsequently to the Management Board via the Quarterly Risk Report.

Counterpart and portfolio monitoring

The overall objective of Belfius is to ensure the implementation of a sound, prudent and effective risk management, based on a full understanding of the risks and a swift and proactive identification of and alerting on potential risks.

For this reason, Belfius firstly monitors the solvency of the individual borrowers, and this throughout the whole credit life cycle:

- the economic review process of credit files assures that any sign of risk deterioration can be detected in time and monitored and/or addressed adequately. This can result in a set of risk mitigations actions: additional guarantees, lowering exposure, credit restructuring, intensified monitoring;
- this review process is organized in a monthly cycle, with in-depth analysis of customers with important credit exposures and/or significant evolutions in their risk profiles;
- it is complemented with early warning tools in order pro-actively to detect clients' financial deterioration; these tools were further enhanced in 2024 through an industrialized portfolio monitoring using a broader set of early warning signals.

In addition, Belfius also continuously monitors a series of key risk indicators (and their underlying dynamics) at portfolio level, and frequently performs ad-hoc analyses whenever specific risk pockets emerge.

3. Fundamentals of credit risk in 2024

Despite significant resilience shown by the Belgian economy, important challenges remain for the near future. The number of bankruptcies has risen quickly in the course of 2024 and has reached pre-Covid levels. Economic uncertainty has primarily affected the manufacturing and construction sectors. In 2024, more than 2.600 construction companies went bankrupt, accounting for more than 20% of all bankruptcies that year. Job creation slowed down sharply in 2024, and the economy was confronted with a higher job loss, a.o. as a consequence of large corporate restructurings and bankruptcies. At the same time, labour market tightness has eased somewhat, although finding qualified workers remains a challenge across industries. Investment growth was reported to have moderated, with companies focusing on cost control and improving efficiency through digitalization and automation. Adjustment to the energy transition and the implementation of the EU Recovery and Resilience Plan will require extensive investment and financing in the future.

The situation on the real estate market, an important segment of the Belgian economy, remains challenging. Trends observed in 2023, i.e. rising costs of building materials, increasing financing costs, restrictive energy regulation, have contributed to the market's stagnation continuing into 2024. These elements have put pressure on both the commercial and residential real estate segments. In the commercial real estate segment, investment and demand levels has remained low, significantly impacting the financial stability of several large developers. In the housing market, the number of transactions dropped considerably in the first half of 2024, leading to stabilized housing prices with regional and building-type variations. However, towards the end of the year, a moderate increase in both transactions and housing prices could be observed.

With respect to the public sector, Belgium’s financing deficit and debt level remain an attention point. The lengthy process of forming a federal government after the elections in June, as well as a government in the Brussels Capital Region, highlights the challenges of balancing fiscal and pension reforms, necessary investments for the energy transition, and the budgetary discipline mandated by Europe.

Against this ambiguous background, credit risk management has remained challenging throughout 2024, particularly in balancing confidence in past achievements with the forward-looking approach to identifying potential future risks. On one hand, the credit quality of Belfius loan portfolios remains strong, and anticipative provisioning is deemed to offer sufficient protection against downturns. On the other hand, the uncertainty surrounding the duration and severity of the recently observed downturn indicators calls for vigilance and a continuous reassessment of credit policies and provisioning strategies. Geopolitical developments that could have an impact on the global economic conditions, are an integral part of the Belfius monitoring of the credit risk environment.

ESG in credit risk management

In order to ensure its long term resilience, Belfius started assessing the resilience of its loan portfolios to Environmental, Social and Governance risk drivers. A first Climate and Environmental Risk Materiality Assessment allowed Belfius to identify the most material (current and future) risk drivers and the most sensitive portfolios and sectors. The integration of ESG considerations in the credit framework and credit processes includes, among others:

- performing a screening to understand how borrowers are addressing climate-related physical and transition risks,
- adjusting credit acceptance criteria to account for those risks;
- evaluating the individual ESG profile of individual companies and groups;
- setting up dedicated ESG-related limits and key risk indicators (such as exposures to fossil fuel activities and exposures collateralized by buildings located in flood prone zone);
- analysing the impact of a range of climate scenarios on the evolution of credit risk parameters (PD, LGD).
- applying an ESG overlay under IFRS 9 for the most vulnerable exposures within the Individual and Entrepreneurs and Enterprises segment.

The assessments performed to date show that credit risk impacts stemming from climate and environmental risk drivers remain fully manageable, even in the long term, under the given scenarios,

Belfius’ inhouse developed ESG score, which measures a company’s exposure to Environmental, Social and Governmental risks, was further rolled-out over 2024 and will gradually be integrated in Belfius’ credit risk acceptance processes, including potential interactions with the credit rating, the credit conditions, the lending limit and the pricing of loans.

3.1. Cost of Risk in 2024

3.1.1. IFRS 9 impairment methodology at Belfius

Reference is made to the Appendix IX.1.4. Risk Report 2019 for a full description of the Belfius process to compute IFRS 9 expected credit losses (ECL). The basic principles of the process to compute IFRS 9 expected credit losses (ECL) are as follows:

Belfius Bank and its subsidiaries recognize loss allowances for ECL on financial instruments at amortized cost or at fair value through Other Comprehensive Income (OCI);

ECL are measured through a loss allowance that depends on the financial instrument's status:

- for performing exposures (i.e. instruments that have not incurred a significant increase in credit risk since origination), referred to as stage 1, a 12-month ECL is calculated;
- for underperforming exposures (i.e. instruments that have incurred a significant increase in credit risk since origination), referred to as stage 2, Lifetime ECL are calculated;
- non-performing exposures (i.e. exposures that become credit-impaired), are classified in stage 3 and the ECL reflect the remaining exposure after a best-estimate of future recoveries. For credit-impaired, not denounced files with a higher expected loss estimate, this estimate is based upon a probability-weighted approach of recovery on a going concern and a discontinuity scenario.

ECL are probability-weighted estimates of credit losses. This is expressed as the present value of cash shortfalls i.e. the difference between the cash flows that are due to the entity in accordance with the contract and the cash flows that the entity expects to receive. ECL calculations use probability of default (PD) and loss given default (LGD) parameters. Point-in-time PDs are used that inter alia incorporate forward-looking macroeconomic information through the use of four different macroeconomic scenarios. These scenarios are built upon internal information delivered by the Belfius Research department, who uses external and internal information to generate a forecast "neutral" scenario of relevant economic variables along with a representative range of other possible forecast scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities.

Belfius assigns probabilities to the four forecast scenarios (neutral, optimistic, pessimistic and stress) and makes the link between macroeconomic variables and credit risk and credit losses through identified and documented relationships between key drivers of credit risk and credit losses for each portfolio of financial instruments on the one hand and statistical analysis of historical data on the other hand.

Given that ECL estimations are complex and to a certain extent judgmental, the aforementioned mechanical approach is completed by management judgment through "management call" layers as authorized by the IFRS 9 accounting references. These layers can be positive or negative and aim to include any elements entering in the ECL calculation which have not been taken into account by the mechanical computation on an individual level or a (sub)portfolio level and come on top of the mechanical overlays. Since the first-time adoption of IFRS 9, Belfius has applied ECL overlays for certain risk pockets (as for commercial real estate, for high LTV mortgage loans).

In 2023, an overlay for ESG risks was initiated on both mortgage and E&E exposures. The housing stock energy efficiency - performance and objectives - could negatively affect the value of the residential mortgages in the mortgage portfolio; to capture this potential impact, an ECL layer was developed for higher LTV mortgages with properties in collateral, with a low energy efficiency (KWH/m²year of 400 or more). In 2024, this overlay has been reassessed and selection criteria have been adjusted to take into account the capacity of the borrowers to renovate, by taking into account saving levels. Furthermore, the flood risk was added as a scope-criterium, based on the physical risk assessment that was performed. In the E&E portfolio, counterparts face a far-reaching transition in order to comply with (new) environmental regulations, prevent social issues affecting brand reputation or deal with governance failures that could lead to legal and/or financial consequences. To manage these risks and ensure long-term viability, investments have to be made. Based on the Climate Policy Relevant Sectors (CPRS) classification, an ECL overlay is applied on the sectors that proved to be most vulnerable within the Belfius portfolio (Belfius CERMA, 2023). The E&E scope is defined on a sector-basis, referring to the conclusions of the ESG Materiality Assessment and taking into account the counterparties ESG scores and risk profiles. Relevant sectors in this perspective are related to factors as fossil fuel, water, … The scope is completed with exposures on companies with low ESG scores regardless the industry they are active in.

3.1.2. Drivers of the cost of risk in 2024

Cost of risk

The 2024 Cost of Risk amounts to EUR -133 million and is composed of EUR -124 million allowances for the commercial activities of the bank, EUR -8 million allowances for the bond portfolio, including Legacy portfolios within Group Center and EUR -1 million allowances for Belfius Insurance.

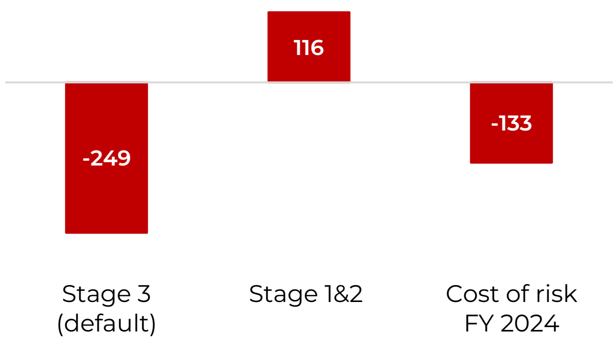
This Cost of Risk contains EUR -249 million allowances for exposures in default (stage 3), o.w. a few names in the portfolio in run-off and some corporate files in the E&E segment. Next to this, small and medium sized businesses are contributing increasingly to the specific provisions.

These specific provisions are partly offset by EUR +116 million reversals in the stage 1 and 2 component, the combined effect of more favorable macroeconomic conditions in course of 2024, transfers to default and the review of the expert layers for risk pockets, together with portfolio evolutions.

Despite the higher level of defaults, the cost of risk was maintained at acceptable levels, following reversals of stage 1&2 provisions constituted during the past years, proactive risk management and a de-risking opportunities analysis.

Cost of Risk

(in millions of EUR)



Macroeconomic factors used in 2024 ECL calculations

The macroeconomic projections used for ECL calculations have been updated in line with the Belfius' Research department expectations:

- EU and Belgian GDP growth prospects have been revised downwards consequent to the US Tariffs announced by Elected US President Trump, while US GDP growth has been revised upwards. The inflationary relief observed is reflected in the 2024 CPI data, and for 2025-2026, the expected return to normalized level is confirmed, although levels are expected somewhat higher than forecasted in 1H 2024. The evolutions on the labour market are reflected in a moderate decrease in unemployment figures for both Belgium and Europe;
- the macroeconomic factor calculation is based on 2024-2026 data;
- the system of four probability-weighted forward-looking scenarios, each with its own macroeconomic parameters to build optimistic, neutral, pessimistic and stress cases, is maintained. Yet, the scenarios have been adapted to the updated macroeconomic environment.

Macroeconomic factors[1] used in ECL calculations

	As of 4Q 2023			As of 2Q 2024			As of 4Q 2024		
	2023	2024	2025	2024	2025	2026	2024	2025	2026
GDP (% Y-O-Y)									
Belgium	1.5	1.2	1.4	1.3	1.4	1.3	1.0	0.9	1.1
Eurozone	0.5	0.9	1.5	0.6	1.2	1.2	0.8	0.7	1.0
United States	2.4	1.1	1.6	2.4	2.0	1.9	2.7	2.7	3.0
CPI (% Y-O-Y)									
Belgium	2.6	4.7	2.1	4.0	2.1	2.1	4.3	2.6	2.0
UNEMPLOYMENT (%)[2]									
Belgium	8.3	8.0	7.8	7.2	7.1	6.8	7.2	7.1	6.8
Eurozone	8.6	7.2	7.0	7.5	7.0	6.8	7.5	7.0	6.8

(1) Figures might differ from those presented in the section dedicated to the macroeconomic environment as IFRS 9 expected credit losses are performed during the quarter.
(2) Unemployment figures include the exceptional temporary unemployment.

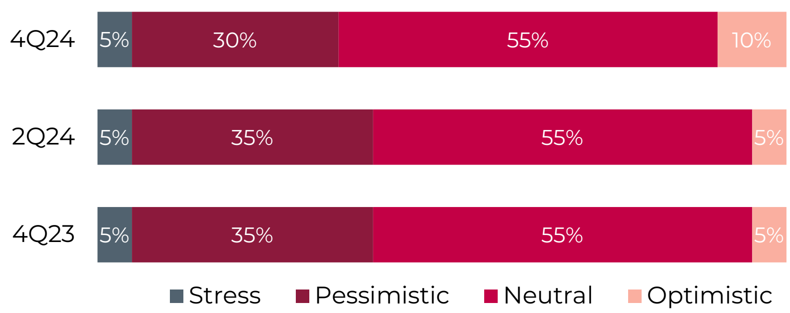
Macroeconomic scenarios GDP (% YoY)

	As of 4Q 2023			As of 2Q 2024			As of 4Q 2024		
	2023	2024	2025	2024	2025	2026	2024	2025	2026
SCENARIOS									
Optimistic	2.1	1.8	2.0	1.9	2.0	1.9	1.6	1.5	1.7
Neutral	1.5	1.2	1.4	1.3	1.4	1.3	1.0	0.9	1.1
Pessimistic	0.4	0.1	0.3	0.2	0.3	0.2	-0.1	-0.2	0.0
Stress	-0.2	-0.5	-0.3	-0.4	-0.3	-0.4	-0.7	-0.8	-0.6

The neutral case is completed with an optimistic, a pessimistic and a stress scenario. The table above illustrates the Belgian GDP Growth assumptions under the four scenarios.

Scenario weights

(in %)



In the weights of the forward-looking scenarios, a 5% shift from the pessimistic to the optimistic was applied since 1H 2024, reflecting the reduced probability of a hard recession, as it could be derived from the macroeconomic parameters and the general economic sentiment in the first months of 2024.

The update of the macroeconomic factors and the lower weight of the pessimistic scenario have induced a reversal of EUR +42 million provisions in 2024.

Sensitivity of the impairment stock stage 1 & 2 to changes in scenario weights

The following table provides an overview of the stage 1 & 2 impairments sensitivity to the weight of macroeconomic scenarios. Under the current methodology, the most relevant macroeconomic factors are GDP and Unemployment. Note that the sensitivity is not linear and cannot be simply extrapolated.

(in millions of EUR)	What if 85% optimistic[1]	Weighted average scenario 4Q24	What if 85% pessimistic[1]	What if 85% stress[1]
Impairment stock stage 1 & 2	647	796	960	1,169
% change vs weighted average scenario	-19%	0%	21%	47%
		Optimistic 10% Neutral 55% Pessimistic 30% Stress 5%		

(1) 5% on each of the 3 other scenarios.

The overlay approach

The mechanical calculations are completed with expert overlays. These overlays are designed to result in best estimate coverage of ECL in some specifically identified risk pockets of vulnerable exposures (defined in terms of sectors, groups of companies or individual exposures) which have not been taken into account by the mechanical computation on an individual level or a (sub)portfolio level:

- In 2020 and 2021, an overlay was constituted to cover for the risks related to the Covid-events. Credit exposures to individuals and companies with payment moratoria and companies in sectors that were hit more severely by the pandemic and the sanitary measures were included.
- In 2022, the driver of risk gradually shifted also to sectors with a sensitivity to inflation and energy prices' increases. Since 2023, the Covid-related exposures completely disappeared from the overlay, the scope of the overlay was only linked exposures that were vulnerable to energy and inflation.
- In 2024, the layer for vulnerable exposures was revised in function of an updated analysis for the E&E credit portfolio. This has led to a focus of the scope to companies in the sectors of construction, automotive & transport and chemicals. For SME-type companies, retail-trade sectors (clothing, food, hospitality and catering industry, …) were included to reflect the vulnerability of smaller companies in these activities.

On a quarterly basis, this management call layers are reassessed by the Stage 1&2 Impairment Committee.

In such case, one or more IFRS 9 parameters have been stressed when computing the ECL. For mortgages, a stressed LGD value has been applied, while for other vulnerable exposures, an add-on has been applied on the mechanically computed expected credit loss. The add-ons correspond to an increased expected credit loss, equivalent to a 1 to 2 notch rating downgrade(s). This approach feeds the formal quarterly impairment process and results into shifts of individual files or risk pockets from stage 1 to 2. The approach results into ECL levels deemed more adequate to cover the related (increased) credit risk.

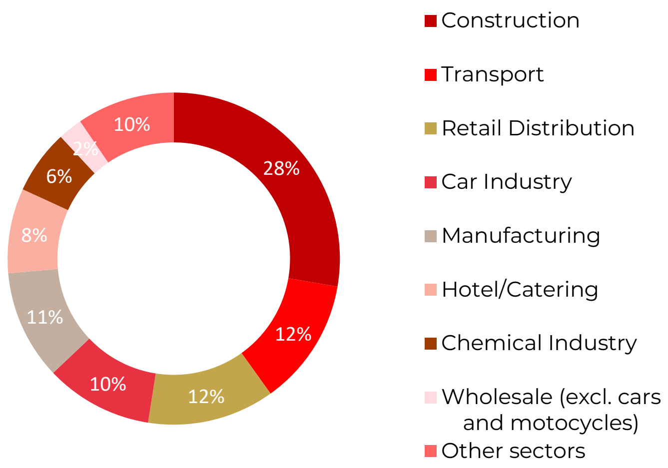
The overlay for vulnerable exposures approach

Belfius continued its portfolio analysis and monitoring process, in order to determine and keep up-to-date the vulnerable sectors and / or client segments, initially based on Covid-19 impacts and later on related to companies sensitive to energy and inflation impacts. In 2024, an in-depth analysis of the E&E portfolio from the perspective of risk concentrations and vulnerable sectors, was conducted. This exercise resulted in an updated identification of sectors, pinpointing construction, automotive, transport, and the chemical sector as the main risks. The most vulnerable clients within these sectors were included in the overlay for vulnerable exposures, if not already the case.

The overlay for these vulnerable exposures was reduced by EUR 26 million in 2024, driven by this update, exposure and rating evolutions and migrations of files to stage 3.

Belfius' exposure towards these vulnerable sectors or counterparts is limited to 2.7% of the total portfolio and can be split as follows:

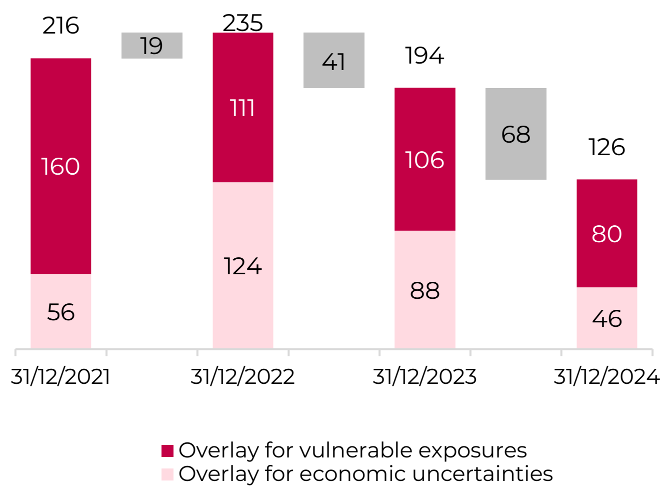
E&E Overlay – exposures by sector 31/12/2024: EUR 5.4 billion



The Belfius "overlay for economic uncertainties and vulnerable exposures," which includes provisions for macroeconomic uncertainties and vulnerable exposures, amounts to EUR 126 million as of December 2024 (down from EUR 194 million at the end of 2023) and includes:

- EUR 46 million for macroeconomic uncertainties (vs EUR 88 million at the end of 2023);
- EUR 80 million for vulnerable exposures (vs. EUR 106 million at the end of 2023).

Overlay
(in EUR million)



Stage 3 provisions for files in default
Belfius continues to apply its standard impairment process for non-performing exposures. The stage 3 provisions represented a cost of risk of EUR -249 million in 2024, surpassing the annual natural level for the Belfius portfolio.

The 2024 stage 3 amount should be assessed considering the portfolio in run-off, contributing EUR -74 million, and some major individual files in E&E segment, mainly in real estate, manufacturing, wholesale/retail trade and financial & insurance sectors. Next to this, small and medium sized businesses are contributing increasingly to the specific provisions following files entering into default, mainly in sectors construction and hotel/catering.

In 2024, Belfius was able to record significant stage 3 reversals on some Corporate files in default as a result of strong management of gross and net exposures. Note that Belfius has written-off EUR 122 million of older stage 3 loans in 2024 (with a limited additional allowance of EUR 0.2 million). This relates to files for which there is no reasonable expectation of recovery but are still subject to enforcement activity.

3.2. Evolution of the portfolio by segment

3.2.1. Individuals

Higher mortgage rates and expensive building materials have affected the dynamics of residential housing market and mortgage production since interest rate started rising in June 2022. The impact on Belgian housing prices remained mild. After a slowdown in the first half 2024, mortgage production levels picked up, especially since Q3 2024. In 2024, household consumption showed a robust expansion; consumer confidence was high although it dropped slightly in the last of months of the year due to uncertainty after the US election and slowing job creation.

Mortgage production increased over the year, surpassing 2023 levels but still falling short of the volumes recorded prior to the interest rate hikes, primarily due to higher house prices as well as larger borrowing costs. The portfolio grew by approximately 4% in 2024, with the FEAD rising from EUR 43.0 billion at the end of 2023 to EUR 44.8 billion one year later. All in all, despite the current macroeconomic challenges, average PD level and AQR ratio were not significantly affected, increasing only slightly from 0.50% to 0.55% and from 0.29% to 0.33%, respectively.

Looking at the new production, we notice an improvement in the Net Available Income (NAI) and the Debt Service To Income (DSTI) of borrowers compared to 2023. This could be explained by a partial slowdown in the growth of house prices in the first half of 2024, strong wages and low unemployment rates, as well as pent-up demand in the housing market, possibly in anticipation of ECB rate cuts. The maturity of the new loans decreased slightly, primarily due to the slowdown in the number of transactions in the first half of 2024, consistent with lower pressure on DSTI. Nonetheless, over 50% of newly originated mortgage loans have maturities exceeding 20 years. Belfius is carefully monitoring risk pockets related to high LTV and high maturity at origination, remaining largely compliant with the NBB expectations. Additionally, the share of new loans with high Debt Service To Income is closely monitored, ensuring that clients do not become financially overextended. As is usual in the Belgian residential real estate market, 99% of the newly originated loan amounts were borrowed at a fixed interest rate.

Belfius is committed to lowering its carbon footprint, greening its mortgage portfolio and managing the risks associated with climate change. To this end it continues its effort to collect directly from borrowers data on the energy performance of the buildings held as collateral, achieving a real data coverage of 40% of its portfolio as of 31/12/2024. Belfius also continuously monitors the energy efficiency of its mortgage loan portfolio while stimulating energy renovations through sustainable finance products to gradually improve the climate risk resilience of its portfolio.

Belfius considers a combination of energy performance and loan-to-value criteria to identify exposures at material transition risk. Mortgage exposures with a high Loan-To-Value ratio (LTV > 80) showing poor energy efficiency (>400 kWh/m²) are deemed to be the most sensitive assets. Only a very limited proportion of Belfius' mortgage loan portfolio (<4%) is thus currently considered as risky. Moreover, Belfius tracks the level of exposure of its mortgage loan portfolio to physical risks (more specifically flood risk which has been identified as the most relevant climate-related physical risk in Belgium) as well. Exposures collateralized by real estate assets located in flood prone zones are considered to be at material physical risk and currently represent less than 2% of the portfolio.

To further facilitate energy improvements, since July 1, loan maturities of up to 30 years have been made available when combined with an energy renovation loan. By lowering the monthly repayments, this policy supports more (young) home buyers to futureproof their homes and contribute to climate transition. At the same time acceptance criteria for mortgage loans on properties with high EPC have been tightened.

The consumer loans portfolio grew by 2.7% over the past year, reaching a FEAD of EUR 5.9 billion. Similar to mortgages, the AQR ratio is slightly lower at 2.81% from 3.04% last year.

3.2.2. Entrepreneurs & Enterprises (E&E)

The exposure towards the Entrepreneurs & Enterprises (E&E) portfolio amounted to EUR 65.3 billion at the end of 2024. Overall, the E&E portfolio has maintained its moderate risk a slightly rising AQR ratio.

The general economic conditions remained challenging in the second half of 2024, and activity growth has remained broadly stable at a low level. Growth was led by an acceleration in private consumption expenditure. This was enough to offset contractions in government expenditure and gross fixed capital formation. Several sectors including export, construction, automotive, transport and chemical continued to struggle due to high energy prices and increasing wage costs.

The number of bankruptcies in Belgium has surged sharply. Last year, more than 11,000 companies went bankrupt, marking an 8% increase. This figure is nearly as high as the record set in 2013. Although this high number partly reflects intensified effort to combat fraud and shell companies, it remains notably elevated. Beyond the historically vulnerable sectors (hospitality, wholesale and retail trade, together accounting for 40% of all bankruptcies), there was a marked increase in bankruptcies in the construction (more than 20% of all bankruptcies) and the transportation sectors. Regional and sectoral differences were observed, with more pronounced growth in bankruptcies among SMEs in sectors such as construction, transportation (incl. car dealers), hospitality and catering industry. This increase has resulted in rising AQR levels, evolving from 2.95% at the end of 2023 to 3.30% at the end of 2024 for Corporate Banking and from 4.25% at the end of 2023 to 4.59% at the end of 2024 for Business Banking.

Job creation has slowed sharply, slightly easing market tightness, although finding qualified workers continued to pose a challenge. While companies are relying less on temporary workforce as well as flexible and consultancy contracts, few have reduced their permanent workforce in 2024, fearing difficulties in finding the right profiles when the market rebounds. The outlook for 2025 is less optimistic, with signs that struggling sectors (manufacturing, automotive, and retail) are preparing for layoffs and reorganization plans.

Companies in the E&E segment are focussing on profitability by cutting expenses and enhancing operational efficiency, leading to reduced investment plans despite external financing remaining accessible. Investments are primarily focused on digitalisation and automation to offset the large rise in wage costs, and on the greening of the production process to meet regulatory requirements. Meanwhile, wage cost increases have moderated, and other input costs are declining.

Manufacturing fundamentals remain weak with little signs of improvement. Firms are struggling to return to pre-covid production levels causing growing overcapacity. Wage-cost gap has widened (compared to neighbouring countries) and energy prices remain above pre-crisis levels driving production costs higher than global market prices. Although energy prices have dropped significantly, they remain twice as high as they were before the energy crisis and are a multiple of energy prices in other continents, e.g. the gas price per MWh in Europe is on average 4.2 times higher than in the United States. A contraction in construction activity contributes to a prolonged slump in the building industry.

Consumer-related industries, like retail, have exhausted their buffers to weather consecutive crises (covid, energy, inflation) and are showing increasing signs of financial stress, as evidenced by rising bankruptcies or judicial reorganizations.

Conditions are still better in the services industries, but sentiment has softened due to cost-cutting across the broader economy.

In the commercial real estate segment, the exposure growth has stopped as demand and investment appetite have sharply decreased due to the uncertainty in the interest rate environment. The deep dive analysis on the portfolio performed in 2024 confirmed the fundamental resilience of the Belfius commercial real estate portfolio and the adequacy of the provisioning levels. Key risk indicators, which are monitored on a permanent basis, continue to demonstrate the solid character of the portfolio, although certain evolutions call for a close attention. The upward pressure on the non-performing loans and the cost of risk reflects the risk concentrations on certain large developers and a more general understream of defaults in the segment of small real estate and construction companies. Belfius has taken both specific and anticipative general provisions to cover for adverse risk evolutions in its commercial real estate portfolio and it is assessing quarterly the adequacy of these provisions. To manage risks during the current cooldown of the market, a number of measures have been taken, including increased scrutiny, a close monitoring of clients' liquidity positions and refinancing risks targeting an early detection of cash-flow issues. Other measures include the update of the commercial real estate acceptance guidance and credit delegations, combined with an intensive awareness campaign for credit analysts and bankers.

This economic uncertainty translated in the credit quality indicators of the Belfius' E&E loan portfolio, amounting to EUR 65.3 billion at the end of 2024:

- Production in Corporate Banking remained dynamic with good credit quality, although interest rate-sensitive activities as real estate and leveraged transactions represent a smaller share;
- Overall credit quality in the E&E segment has slightly declined with expanding watchlist volumes, although the latter is the combined effect of worsening economic conditions with the result of a tightened portfolio monitoring and investment made in early detection of potential weakening credit files;
- Belfius also saw an important increase in companies facing difficulties and bankruptcies within its E&E credit portfolio in 2024, resulting in an increase in impairments.

Considering the above elements, Belfius has tightened its portfolio monitoring tooling, performs close monitoring of counterparts showing early warning indicators and increased provisions for a number of more vulnerable sectors through sectoral overlays. Additionally, Belfius conducted in 2024 an in-depth analysis of the E&E portfolio from the perspective of risk concentrations and vulnerable sectors. The exercise led to a clear identification of sectors that require increased attention. Based on this analysis, 4 sectors were identified that will receive heightened attention in the future. These sectors are construction, automotive, transport, and the chemical sector. Actions were initiated to reinforce credit risk monitoring and credit risk discipline for enterprises active in these sectors.

3.2.3. Public sector clients

Exposure on Public & Social customers amounted to EUR 35.6 billion (FEAD) at the end of 2024, contributing to the robustness and diversification of Belfius' global loan portfolio. Overall, the Public & Social portfolio has maintained its historically low risk profile with an average PD of 0.19% and an average AQR ratio of 0.01%.

The federal budget deficit is expected to increase to -5.5% in 2026, accompanied by a steady rise in government debt to almost 110% of GDP that same year. The incoming government will need to balance a return to fiscal prudency (in line with EU debt and deficit standards) with international calls for higher defence spending (currently at approximately 1.3% of GDP) and investments in healthcare and the climate transition.

Belfius has been a longtime partner of the Belgian regions and communities, among other things through its role as cashier. Some of the Belgian regions and communities are facing challenging budgetary positions while still having to maintain an adequate level of investments in healthcare and the climate transition. The costs are likely to increase due to an ageing population, increasingly expensive medical treatments, as well as to meet EU climate objectives and energy security. However, the inaugurations of new regional governments are offering the prospect of the required budgetary reform.

Belfius has been standing solidly by the side of the cities and municipalities through some challenging periods such as during the pandemic and the energy crisis. All in all, budgetary resilience and regional support have helped these public clients weather these challenges. Nevertheless, a few points of concern remain for the future in the form of rising pension costs for retired statutory staff, the increasing contributions to police and rescue zones as well as investments in climate adaptation plans and the energy transition. Although regional support has been secured to mitigate some of these issues (e.g. pension costs), it is still unclear how exactly this burden will be managed given that more and more responsibilities are being delegated to the local level while the regions strive to attain balanced budgets. Within this context, special scrutiny for the municipalities' financial metrics and budgetary balance is applied.

Belfius has been keeping its finger on the pulse of the Belgian hospital sector for 30 years through its annual MAHA analyses. Hospitals have again seen a strong rise in one-day admissions, reflecting a longer-term effort to curb cost increases. Nonetheless, the share of unprofitable hospitals has once again risen, reaching 40% in 2023 and early 2024. This has been mainly due to an increase in personnel costs, which have climbed by 6.6% in 2023 while an additional increase of 5.3% is expected for 2024. Besides maintaining a budgetary equilibrium, Belgian hospitals are coping with personnel shortages and high degrees of absenteeism.

Belgian public utilities are dealing with strong investment requirements over the upcoming years. Water companies are upgrading and expanding their water and sewage networks in order to comply with the EU Water Framework Directive. At the same time, grid operators are investing heavily in their networks to keep up with and prepare for the energy transition, which involves a shift in energy generation and usage from fossil fuels to renewables and electricity. The total costs of these operations are still challenging to predict accurately. Another outstanding question is how these future costs will be distributed (publicly, privately or through a hybrid scheme) and what their impact will be on other public sector entities' budgets (mainly those of municipalities and regions) and the taxpayer. Belfius remains committed to supporting public utilities in their efforts to make Belgium a greener society.

All in all, Belfius continues to uphold its long-established role as a reliable partner for its Public & Social clients.

3.3. Insurance

The management of the credit risk of Belfius Insurance is the responsibility of Belfius Insurance risk management team, albeit in collaboration with the credit risk teams of Belfius Bank and aligned with the risk management guidelines that are applicable for the whole Belfius group. As such, this implies that credit limits are defined on a consolidated basis (with dedicated limits for Belfius Bank and Belfius Insurance) and that transfers of limits between 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.

3.4. International exposures

On a geopolitical front, 2024 was marked by increased turbulence in the Middle-East region, with the conflict between Israel and Hamas expanding to involve Hezbollah in Lebanon and eliciting a reaction from Iran. At the same time, the war between Russia and Ukraine continued. Despite these events, long term interest rates fell in 2024, following the start of rate cuts by central banks as inflation decreased. In this difficult context, the credit risks in the Belfius bonds & derivatives portfolios managed within Financial Markets performed relatively well. Nevertheless, some risks remain. 2025 will be marked by the reelection of President Trump, which could lead to increased volatility in the financial markets.

The ALM Liquidity portfolio, consisting of LCR eligible bonds, has increased by EUR 1.3 billion over the year 2024, from EUR 8.0 billion to EUR 9.3 billion. The majority of the new investments were done in covered and sovereign bonds with a good diversification across different countries. The average rating of the portfolio remained stable at A, with 100% of positions being investment grade. Although the credit risk remains acceptable, there is still an important concentration of Belgian and Italian sovereign bonds in this portfolio.

The run-off portfolios, consisting of the Yield bond portfolio, the credit derivatives portfolio and other legacy derivatives portfolio have decreased by EUR 0.5 billion over the year, from EUR 7.9 billion to EUR 7.4 billion. The decrease is mainly driven by the increase of the UK real rate which reduced the exposure to UK inflation linked bonds. The exposure to UK utilities (water, gas and hospitals) within the run-off portfolios has decreased from EUR 4.47 billion in 2023 to EUR 3.99 billion in 2024. The average rating of the credit derivatives portfolio increased from A- to A, while the average rating of the other legacy derivatives portfolio remained stable at BBB+. The average rating of the Yield bond portfolio (EUR 4.42 billion in 2024 compared to EUR 4.97 billion in 2023), however, decreased from A- to BBB+ following the deterioration of some positions. Despite some pressure on credit quality of these portfolios, 92% to 97% of the positions remain investment grade. The main concentrations within these portfolios are UK inflation linked utilities, mainly water and gas, and UK Healthcare bonds. About 75% of these positions benefit from a lifetime guarantee from an investment-grade-rated credit insurer.

The UK water and gas utilities are undergoing a review of their tariff agreements, with the water sector review starting in April 2025. The UK water regulator, Ofwat, draft determinations published mid-year highlighted the challenge of balancing significant investment needs to improve performance, attracting sufficient new equity to improve resilience and at the same time maintaining client affordability. Financial determinations (FD's) have been published end December 2024 and can be considered manageable for the sector, although they put additional stress on certain companies already under operational and financial strain due to financial incentives linked to operational performance. Some companies might even appeal for a referral of their FD's to the Competition and Markets Authority. The biggest player in the sector, Thames Water, is currently undergoing a restructuring to avoid temporarily special administration. Our position on Thames Water is covered for about 75% by Assured Guaranty and we have provisioned 29% of the non-guaranteed exposure.

In 2024, the pressure on the UK Healthcare sector continued. Difficult relationships among parties involved in healthcare projects, due to non-compliance with project agreements, led to significant credit deterioration for some counterparties. Despite these challenges, we managed to reduce our exposure to this sector with two successful derisking transactions in the last quarter of the year, both with a positive P&L impact due to anticipated provisioning and conservative valuation.

We continue to closely monitor the situation and future developments within these pressured sectors. There are currently 2 counterparties classified in stage 3 covered by a EUR 51 million provision. Provisions for stage 2 assets within these portfolios amount to EUR 86 million.

Despite the permanent trading derogation from the NBB allowing to keep the remaining credit derivatives in trading, we continued to actively seek to unwind or derisk these positions. This was a key focus in 2024 and will continue in 2025. In 2024, we successfully derisked one position, resulting in a positive P&L. Only two positions remain within our trading derogation.

4. The risk management process concerning Forbearance, Watchlist, Default and Impairments

4.1. Forbearance

Forbearance measures imply the granting of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments. These concessions may take the form of modifications to the loan contract or debt restructuring.

They apply to all loans and debt securities that are on-balance sheet and also to some off-balance sheet commitments. They do not apply to debt securities held for trading exposures.

Specific criteria are established for each business segment. These provide for a practical interpretation of the concepts of “financial difficulties” and “concession”.

When granting a concession, the Bank is always led by a number of mainly business-related and economic factors. The fact that concessions are made, is one of the Watchlist indicators at Belfius and leads to a transfer of the exposures from stage 1 to stage 2 under IFRS 9.

At the end of 2024, an amount of EUR 1,597 million of loans at Belfius met the forbearance definition, of which EUR 50 million related to Belfius Insurance compared to, respectively, EUR 1,598 million and EUR 60 million at the end of 2023. Customers in the Corporate (EUR 739 million) and Business segment (EUR 498 million) represent the highest volumes with a forbearance status.

In 2024, the forbearance volumes decreased with EUR 1 million but the volumes still remain above pre-Covid levels. This is mainly explained by the outflow of forborne exposures related to Covid measures, especially related to Mortgages and to a lesser extent Business banking, combined with the increase in Corporate Banking and Business Banking forborne exposures since the end 2023.

4.2. Watchlist

The Watchlist Guideline defines internal and external (early warning) indicators to identify a significant increase of credit risk that may lead to an intensive follow-up and/or management of credit files. This allows the bank to closely monitor increasing credit risks and to take adequate credit mitigation measures in order to reduce them.

This is also reflected in the provisioning policy by applying a stage 2 for the majority of these exposures. On a quarterly basis, dedicated Risk Committees identify the files requiring a higher level of monitoring.

4.3. Default

A transversal default definition is applied within the entire Belfius Group and on all market segments in line with the EBA Guideline.

A default status is assigned to debtors which meet one or both of the following criteria:

- the debtor has material exposures which are more than 90 days past due;
- the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless the existence of any past due amount or the number of days past due;

When a debtor belonging to a Risk Group defaults, all other debtors belonging to the same Risk Group will not be considered automatically as being in default. In such a case, Belfius’ Default Committee will decide - based on a well-documented analysis - whether or not other companies belonging to the same group will experience difficulties fulfilling their commitments due to this specific default and, if so, extend the default to the other members of the Risk Group.

Belfius Default guideline provides an in-depth description of indicators used to categorize an exposure in default.

The Default Committee within the Risk department is competent to define the default status.

Based on regulatory evolutions, Belfius has implemented the EBA updated definition of default as of mid-March 2020. Its internal guidelines were updated accordingly. The aim of the EBA guideline is to harmonize the definition of default across the EU prudential framework.

Main impacts are the materiality thresholds for obligations past due that are now composed of both an absolute and a relative threshold, and the introduction of a probation period of 3 months before reclassification into a non-defaulted status.

4.4. Impairments

At the end of 2024, the total impairment stock (stages 1, 2 and 3) amounted to EUR 2,121 million compared to EUR 2,194 million at the end of 2023. The decrease of EUR -73 million is explained by an increase in the stage 3 and in the stage 1 provisions, offset by reversals in the stage 2 provisions relating to the update of the macroeconomic factors and to the reassessment of the Belfius overlays.

5. Exposures to Credit Risk

Full Exposure At Default (FEAD) is determined as follows:

- for balance sheet assets (except for derivatives): the gross carrying amounts (before credit risk adjustments);
- for derivatives: the exposure at default calculated under the standardized approach for counterparty credit risk (SA-CCR);
- for Securities Financing Transactions: the carrying amount as well as the excess collateral provided for repurchase agreements;
- for off-balance sheet commitments: either the undrawn part of credit facilities or the maximum commitment of Belfius for guarantees granted to third parties.

FEAD for instance provides a consistent metric to present a combined view of the Bank and Insurance respective exposures to credit risk.

Breakdown of credit risk by counterparty

	31/12/23	31/12/24	Of which	
(FEAD, in millions of EUR)			Bank	Insurer
Central governments	30,856	34,336	28,550	5,786
of which government bonds	8,163	9,227	4,570	4,656
of which EU Central Bank[1]	20,476	22,249	22,249	0
Public sector entities	40,613	41,286	40,025	1,261
Corporate	54,250	55,686	53,551	2,135
Project Finance	2,444	2,397	2,397	0
Retail	63,046	64,916	61,175	3,741
Financial Institutions	12,066	13,413	11,282	2,131
Other[2]	4,440	4,551	3,941	610
TOTAL	207,717	216,585	200,922	15,663

(1) FEAD to the EU Central Bank as of 31/12/2023 has been corrected from the figure presented in the 2023 Annual Report, from EUR 24,418m (FEAD as of 30/06/2023) to EUR 20,476m.
(2) Other include a.o. deferred tax assets, tangible and intangible assets and gains and losses on the hedged item in portfolio hedge of interest rate risk.

The figures in the below table are after elimination of intra-group exposures, but with inclusion of credit exposure from trading activities and counterparty credit risk.

Exposures are allocated to the final counterparty. This means that if substitution is applied to a certain exposure to a borrower guaranteed by another party, the exposure is shifted to the region, type of exposure and rating of the guaranteeing party.

As at 31 December 2024, the total credit risk exposure within Belfius amounted to EUR 216.6 billion, an increase of EUR 8.9 billion or 4.27% compared to the end of 2023.

This increase is almost entirely due to banking activities (by EUR 8.3 billion), with a small contribution from Belfius Insurance (by EUR 534 million).

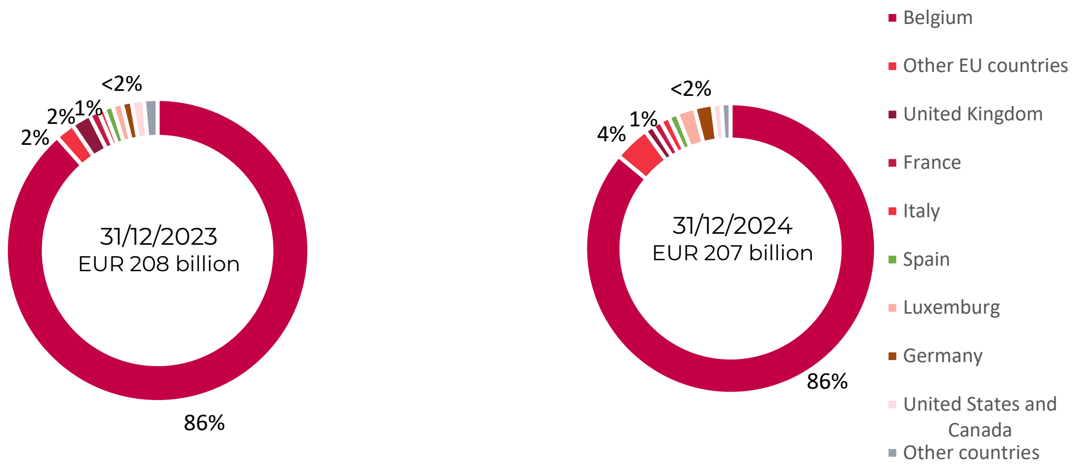
The impact is stemming from the increase in credit risk exposures for all counterparties (except for Project Finance). The increase by EUR 3.5 billion observed on the segment central governments is mostly due to the increase of liquidity reserves deposited at the NBB (EUR 1.8 billion). In terms of government bonds side, the exposure has increased on the bank side (by EUR 747 million), as well as for Belfius Insurance (by EUR 316 million) year-on-year. 39% of the government bonds portfolio is invested in Belgian government bonds at the Group level (same at the bank and insurance level).

The credit risk exposure on individuals, self-employed and SMEs (30% of the total) and corporates (26% of the total) constitute the two main categories. The exposure on those categories increased by EUR 1.9 billion and EUR 1.4 billion respectively, reflecting Belfius' strategy to support the Belgian economy.

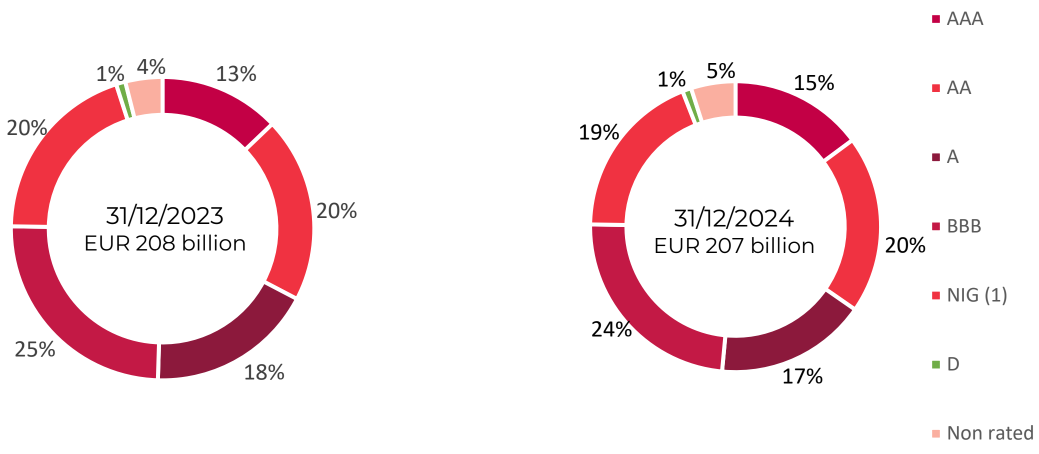
The credit risk exposure on public sector entities and institutions that are guaranteed by these public sector entities has increased in 2024 by EUR 673 million.

Belfius' positions are mainly concentrated in the European Union: 95% or EUR 192.0 billion at bank level and 95% or EUR 15 billion for Belfius Insurance. The total credit risk exposure in Belgium is 85%, 4.2% in France and 2.1% in the United Kingdom, 1.2% in the United States and Canada, 1.3% in Luxemburg, 0.9% in Spain, 0.8% in Germany and 0.6% in Italy.

Breakdown of credit risk by geographical region



Breakdown of credit risk by rating



(1) NIG = Non-Investment grade.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 4.6 billion, a decrease of EUR 526 million from the last year thanks to de-risking efforts. The majority of this credit risk exposure pertains to bonds, nearly two-thirds of which are inflation-linked, issued by utilities and infrastructure companies in the UK operating in regulated sectors such as water, gas, and electricity distribution. These bonds are of good credit quality, and moreover most of the outstanding bonds are covered with a credit protection issued by a credit insurer with a sound rating that is independent from the bond issuer. The remainder concerns the bond portfolio of Belfius Insurance, a short-term credit portfolio for treasury management of Belfius Bank and receivables on clearing houses. The credit risks associated with these portfolios are also of high credit quality.

At the end of December 2024, 73% of the total credit risk exposure had an investment grade (IG) internal credit rating.

6. Asset quality

At the end of 2024, the amount of impaired loans on a consolidated basis amounted to EUR 2,528 million, an increase of +11.9% compared to year end 2023. During the same period, the gross outstanding loans to customers & credit institutions increased by +3.6% and amounted to EUR 125,413 million at the end of 2024. As a consequence, the asset quality ratio amounted to 1.92% at the end of 2024. The stage 3 impairments decreased slightly by 1,3% and amount to EUR 1,249 million. The coverage ratio on impaired loans is 49,4%, compared to 56,0% at the end of 2023. The decrease is mainly explained by a number of new defaulted files with strong collateral and recovery perspectives combined with reversals on existing files in default and the accelerated write-off of files with a high coverage without material additional impairment.

Asset quality[1]

(in millions of EUR, except where indicated)	31/12/23	31/12/24
Gross outstanding loans and advances to customers & credit institutions (measured at amortised cost and fair value through OCI)	121,053	125,413
Impaired loans and advances to customers & credit institutions (measured at amortised cost and fair value through OCI)	2,259	2,528
of which final counterparty is not in default	*103*	*120*
Stage 1 impairments on loans and advances to customers & credit institutions	190	203
Stage 2 impairments on loans and advances to customers & credit institutions	379	359
Stage 3 impairments on loans and advances to customers & credit institutions	1,266	1,249
Asset quality ratio[2]	1.78%	1.92%
Coverage ratio[3]	56.0%	49.4%

(1) Belfius Insurance included.
(2) The ratio between impaired loans and advances to customers & credit institutions taking into account default status of final counterparty and the gross outstanding loans and advances to customers & credit institutions.
(3) The ratio between the Stage 3 impairments and impaired loans and advances to customers & credit institutions.

Market risk

1. Overview

1.1. Market risk definition

Overall, market risk can be understood as the potential adverse change in the value of a portfolio of financial instruments due to movements in market price levels, to changes of the instrument's liquidity, to changes in volatility levels for market prices or changes in the correlations between the levels of market prices.

Management of market risk within Belfius encompasses all Financial Markets activities of the Bank and focusses on interest rate risk, credit spread risk, foreign-exchange risk, equity risk (or price risk), inflation risk and commodity price risk.

Market risk of Belfius Insurance is separately managed by its ALCo's. Belfius Insurance's ALCo makes strategic decisions affecting the balance sheet of the insurance company and its financial profitability taking into consideration the risk appetite pre-defined at Group level (i.e. directional ALM position in interest rate risks, equity and real estate risks, volatility and correlation risks).

1.2. Risk types

The sources of market risk are changes in the levels of:

- interest rates;
- credit spreads;
- inflation;
- foreign-exchange rates;
- equity prices;
- commodity prices;

and their related risk factors like volatility or correlation for example.

Interest rate risk may be understood as the variation of the value of assets or liabilities following changes in interest rates quoted on the markets. It is most pronounced in debt instruments, derivatives that have debt instruments as their underlying reference asset and other derivatives whose values are linked to market interest rates.

Credit spread risk is linked to the credit spread curve that can change for a counterparty even if the credit quality (rating) remains unchanged. This impacts the XVAs, and related hedges, and mainly the Credit Value Adjustment (CVA) which applies only on derivatives. Credit spreads also affects the bond asset price, but these are mostly value at amortized cost and exposure in trading portfolios at fair value is limited.

Foreign-exchange risk is the potential risk that movements in exchange rates may adversely affect the value of a financial instrument or portfolio. Despite exchange rates being a distinct market risk factor, the valuation of foreign-exchange instruments generally requires knowledge of the behaviour of both spot exchange rates and interest rates.

Equity price risk is the potential risk for adverse changes in the value of an institution's equity-related holdings. Price risks associated with equities are often classified into two categories: general (or non-diversifiable) equity risk and specific (or diversifiable) equity risk.

2. Structural & ALM risk

2.1. Policy on asset and liability management

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

Belfius' 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 Belfius Bank and Belfius Insurance have the ultimate responsibility for managing the interest rate risks of Belfius within the above set risk tolerance and within the regulatory framework.

The real operational responsibility of the effective asset and liability management (ALM) is delegated to the Asset & Liability Committee (ALCo). The ALCo manages interest rate risk, foreign exchange risk, and liquidity risk of the Bank's respectively insurer's balance sheet within a framework of normative limits and reports to the Management Board and Board of Directors. Important files at a strategic level are submitted for final decision to the Management Board and Board of Directors, that have the final authority before any practical implementation.

The ALCo of the 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 preservation of economic value;
- the assurance of robust and sustainable funding.

The ALCo meets regularly, chaired by the Chief Financial Officer (CFO), with meetings attended by the Chief Risk Officer (CRO) and members of the Management Board responsible for commercial business lines (or their representatives).

The ALCo of Belfius Insurance plays the same role for the insurance company pursuing the same objectives but with a focus on the economic value and solvency according to the Solvency II regulation. The risk indicators are calculated based on a harmonised risk method for Belfius, supplemented by factors specific to Belfius Insurance relating to their risk management.

2.2. Interest rate risk

2.2.1. Interest rate risk of the banking activities

In respect to the interest rate risk, Belfius Bank pursues a prudent risk management of its interest rate positions in the banking book within a well-defined internal and regulatory limit framework, with a clear focus on generating stable earnings and preserving the economic value of the balance sheet and this in a macro-hedging approach, thoughtfully considering natural hedges available in the bank balance sheet.

The management of non-maturing or 'on-demand' deposits (such as payment and savings accounts) and non-interest-bearing products use portfolio replication techniques. The underlying hypotheses concerning expected duration, rate-fixing period and tariff evolution are subject to constant monitoring and, if necessary, they are adjusted by the ALCo. Implicit interest rate options like prepayment risk are integrated through behavioural models. All ALM models are following the three lines of defense.

Interest rate risk has two forms: economic value of equity volatility and earnings volatility. The measurement of both of these forms is complementary in understanding the complete scope of interest rate risks in the banking book.

Banks' ALM objective is to protect the net interest income from downward/upward pressures in the current volatile interest rate environment, while respecting the risk appetite limits on the variation of economic value.

Economic value indicators capture the long-term effect of interest rate changes on the economic value of the Bank. Interest rate sensitivity of economic value of equity measures the net change in the ALM balance sheet's economic value of equity (under run off balance sheet assumption) if interest rates move by 10 bps across the entire curve. The long-term sensitivity of the ALM perimeter was EUR -80 million per 10 bps as at 31 December 2024 (compared to EUR -75 million per 10 bps as at 31 December 2023), excluding interest positions of Belfius Insurance and of the pension funds of Belfius Bank.

Earnings at Risk indicators capture the shorter-term effect of the interest rate changes on the earnings of the Bank (under stable balance sheet assumption). Therefore, indirectly through profitability, interest rate changes can also have a shorter-term solvency effect. A +100 bps increase of interest rates has an estimated impact on net interest income (before tax) of EUR -34 million of the next book year and an estimated cumulative effect of EUR -50 million over a three year period, whereas a -100 bps decrease would lead to an estimated impact of EUR -3 million of the next book year and an estimated cumulative effect of EUR -135 million over a three year period.

In addition to directional interest rate risk, curvature risk, due to steepening or flattening of the interest rate curve, is also followed up within a normative framework by the ALCo. The same goes for basis spread risk between Euribor and €STR (Euro short-term rate) and cross-currency spread risk.

During 2024, the short-term interest rates started to decrease, induced by the ECB policy to lower its policy rates after stabilization of inflation and in an effort to boost the Eurozone's lagging economy. Long-term rates, however, had a more volatile evolution over the course of 2024, driven by geopolitical uncertainties. The interest rate curve remained inverted through 2024 to evolve to an almost flat situation by the end of the year. This impacted the maturity transformation model of a universal bank such as Belfius Bank and our Net Interest Income in 2024. The decrease in Net Interest Income 2024 with 6% compared to 2023 can be mainly attributed to 1) the outflow generated by the Belgian state bond in September 2023 for EUR 3.6 billion (low yielding liabilities left the balance sheet and have been replaced by more expensive funding sources), and 2) the non-remuneration of the monetary reserves implemented by the ECB in the second half of 2023. Despite these headwinds, Net Interest Income remained resilient thanks to the low tariffs on non-maturing deposits maintained in 2024 and ALM protecting measures. From a product mix perspective, the decrease in interest rates stabilized the shift of volumes from savings and payment accounts towards term funding (mainly term accounts), with the exception of the launch of term deposits in response to peers' offering at the return of the funding from the Belgian State bond.

The ALCo will remain attentive to a volatile interest rate environment with the primary objective to respect the Risk Appetite Framework (RAF). ALM conventional models are regularly reviewed at the light of the macro-economic environment and prevailing interest rates. During 2024, the evolution of interest rates showed no clear arguments for changing the duration of our conventional models for savings accounts.

2.2.2. Interest rate risk for insurance activities

The aim is to manage and limit the volatility in the income statement that can be caused by interest rate fluctuations and to safeguard the economic value of the shareholders' capital. Therefore, Belfius Insurance, as a matter of policy, does not hold any exposure with a high interest rate risk.

The duration that reflects the interest rate sensitivity of the balance sheet, is considered to be the leading measuring instrument for interest rate risk. The partial and global sensitivities of the interest rate risk per time bucket are more precise indicators that are monitored by the ALCo.

The limits for the interest rate risk are approved by the management board and the Board of Directors. They are translated to the Risk Appetite Policy for global risk indicators and to the Investment Framework for more operational risk indicators and monitored by the ALCo.

Belfius Insurance maintained its ALM strategy which aims to keep the duration between assets and liabilities effectively balanced.

2.2.3. Aggregate interest rate risk for the Belfius Group

The figures below show the impact on the Belfius Group Net Asset Value and the Earnings at Risk for the next book year of a parallel upward shift of the yield curve of 10 or 50/100 bps.

(in thousands of EUR)	31/12/23	31/12/24
BELFIUS BANK		
Economic value of equity (+10 bps)	-75,075	-80,188
Earnings at risk (+100 bps)	-13,568	-33,925
BELFIUS INSURANCE		
Economic value of equity (+10 bps)	4,861	-500
Earnings at risk (+50 bps)	2,268	2,641

2.3. Credit spread risk

The credit spread risk is dealt with in the “Credit risk” section.

The sovereign and credit portfolio is managed by the investment departments under supervision of the respective ALCo’s of Belfius Bank and Belfius Insurance. Its management is carried out according to a risk framework monitored by the risk department. The framework provides risk guidance for the investments. It sets risk appetite and operational limits for ensuring the credit quality of the credit portfolio within the well-defined limits and a sound diversification (e.g. among industry sectors or countries). Sensitivity analysis and stress testing are regularly performed.

At Belfius Insurance, the credit spread risk has been fully integrated in the Risk Management. Indeed, moving towards Solvency II, the credit spread risk became more than before a key driver of the solvency position of the insurance company both for the net asset value’s sensitivity and for the capital requirement.

2.4. Equity risk

Equity risk is a key contributor to the net asset value’s sensitivity and the capital requirement of the insurance company. The equity portfolio is managed by a dedicated Investment team under supervision of the ALCo. The investments are again framed by risk guidance and operational limits according to the risk appetite of Belfius Insurance.

Market risk management tools include stress test measurements that provide an indication of the potential market value loss under different scenarios and the solvency ratio’s resilience.

The table below shows the price sensitivity of Belfius’ equities portfolio to a downward shock of 30%.

(in thousands of EUR)	31/12/23	31/12/24
BELFIUS INSURANCE		
Market value - quoted shares & assimilated	224,318	307,100
Market value - quoted real estate	134,502	161,089
Shock 30% (negative)	-107,646	-140,457
VaR (99%, 10 days)	27,969	25,044

2.5. Real estate risk

Property investments are made of deals offering long-term stable returns mostly on the Belgian market. As such, these property investments must be viewed as a way of optimizing the risk/return of the investment portfolio and are allocated to the long-term life insurance business.

The table below shows the price sensitivity of Belfius Insurance real estate risk to a downward shock of 15%.

(in thousands of EUR)	31/12/23	31/12/24
BELFIUS INSURANCE		
Market value - not quoted real estate	680,375	723,950
Shock 15% (negative)	-102,056	-108,592

2.6. Foreign exchange risk

Although Belfius Bank uses the EUR as its reporting currency, part of its assets, liabilities, income and expenses are also generated in other currencies. The elements of the profit and loss accounts which are generated in foreign currency are systematically and on an ongoing basis converted in EUR, resulting in only limited net FX positions.

The foreign exchange rate risk is not significant at Belfius Insurance, as less than 1% of the portfolio's total market value is denominated in foreign currencies. The possibilities of holding exposures in foreign currencies are moreover deliberately limited by the Investment Framework.

2.7. Pension funds

Specific reports on the pension plans managed by the pension fund are submitted to the investment committee of those plans as a result of the delegation given by the ALCo. The investment committee analyses the impacts of the plans' position on interest rate, inflation and equity risk.

3. Trading market risk

Financial Markets activities encompass client-oriented activities and hedge activities at Belfius Bank. No Financial Markets activities are undertaken at Belfius Insurance. If there is a need for FM-products, they will go to Belfius Bank.

3.1. Market risk governance

With the purpose of effectively managing the market risks Belfius Bank is facing, FM Risk Management has identified the following cornerstones as key pillars for the risk management of its Financial Market (FM) activities:

- an efficient organisation fostering an accurate identification, analysis and reporting of the different risks Belfius Bank is bearing, as well as a continued training of people in order to remain up to date with the latest evolutions in theories, regulatory issues, metrics or market changes;
- a robust limit framework with differentiated limits by activity or risk factor that is to be respected by all parties involved in market activities. On top of the VaR limits or P&L triggers, several other metrics have been identified as key controlling tools in the risk management process:
    - limits on notional amounts;
    - limits on maturities;
    - limits on type of products;
    - limits on sensitivities (known as "Greeks": delta, etc.);
    - back testing;
    - stress tests;
- finally, this framework is regularly submitted for revision to the FM Committee in order to be commensurate to the risk appetite defined by the Board of Directors of Belfius Bank.

3.2. Market risk measures

The Value-at-Risk (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 using a VaR computation:

- the interest rate, inflation and foreign exchange (forex) rate risk: this risk category is monitored via a historical VaR based on an internal model approved by the National Bank of Belgium and ECB. 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 1 year of history;
- the spread risk is measured via a historical approach, applying 1 year of observed variations on the sensitivities;
- the commodity risk is measured via a simplified VaR approach were calibrated shocks are multiplied with the sensitivities.

3.3. Market risk exposure

The overall average VaR of Financial Markets activities decreased from EUR 11.5 million in 2023 to EUR 10.1 million in 2024.

The most important evolution was observed on the Equity VaR where in Q3 the integration of equity dividends into our VaR framework was finalized. This lead to a temporary increase in VaR levels, which decreased again in Q4 as trading positions remained very limited in light of strong trading performances observed over the year.

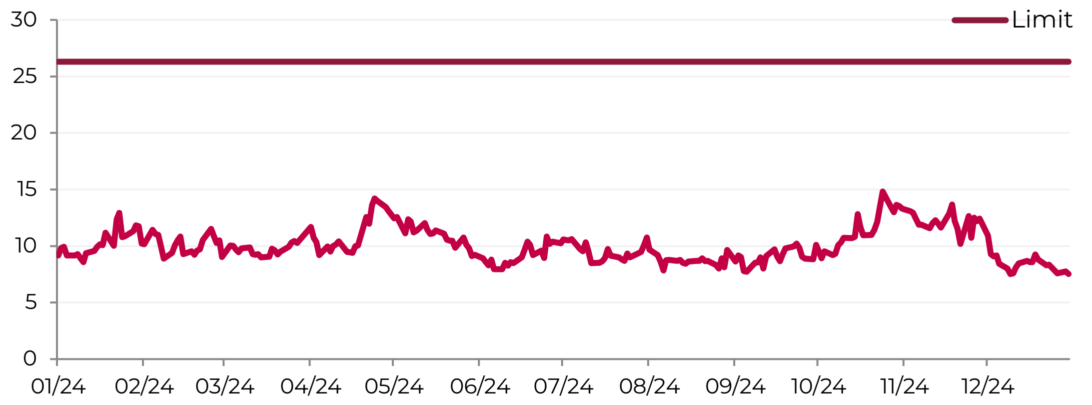
Value-at-risk by activity

VaR[1] (99% 10 days)	31/12/23				31/12/24			
(in millons of EUR)	IR[2] & FX[3]	Equity	Spread	Other risks[4]	IR[2] & FX[3]	Equity	Spread	Other risks[4]
By activity								
Average	6.1	3.5	1.3	0.6	5.6	3.7	0.5	0.2
End of year	5.3	2.8	1.0	0.3	2.9	4.2	0.1	0.3
Maximum	11.3	7.9	2.0	3.8	10.2	8.6	1.9	0.4
Minimum	3.5	2.1	0.7	0.3	2.8	1.9	0.0	0.0
Global								
Average	11.5				10.1			
End of year	9.4				7.5			
Maximum	17.3				14.8			
Minimum	9.0				7.5			
Limit	26.3				26.3			

(1) The Value at Risk (VaR): is a measure of the potential change in market value with a probability of 99% and over a period of 10 days.
(2) IR: interest rate risk and inflation risk.
(3) FX: forex risk.
(4) CO_2 risk.

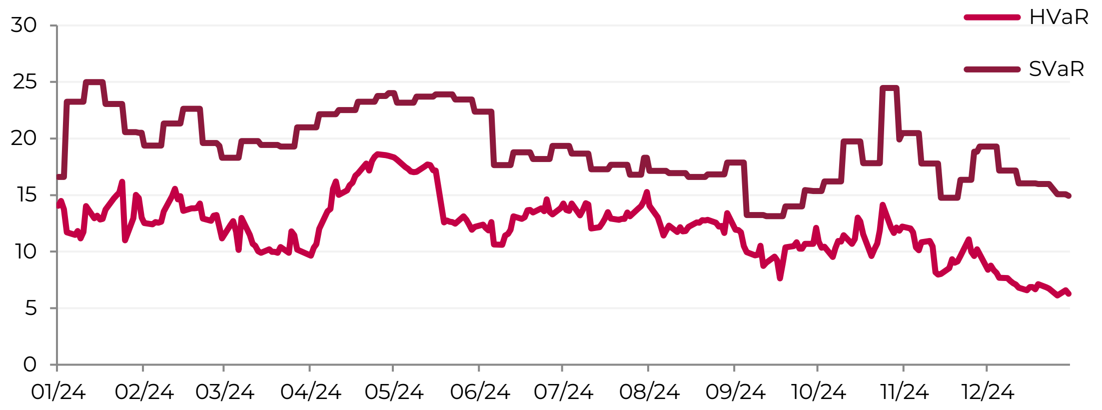
Evolution of global VaR in 2024

In millions of EUR



Evolution of HVaR and SVaR (internal model) in 2024

In millions of EUR



3.4. Stress testing

While the Value at Risk (VaR) is a highly useful tool for managing daily loss-risk exposures, it does not fully account for abnormal market movements and may not always provide a completely accurate picture of market exposure. Stress tests can sometimes offer better insights by assessing Belfius' market positions vulnerability to exceptional events, thereby providing additional information about market risks that complements the data from VaR. These risks include those from extreme price movements and scenarios not reflected in recent history or implied by the parameters used to calculate VaR. As a result, Belfius Bank employs stress tests alongside the VaR approach.

Three types of scenarios are considered: calibrated scenarios (shocks to each risk factor, calibrated as quantiles of their historical distribution), specific scenarios (targeted shocks to certain risk factors), and historical scenarios (based on past crises, such as the Covid-19 pandemic).

The results of these stress tests are reported monthly.

3.5. Regulatory internal model and back testing

The purpose of back testing is to assess the accuracy and mathematical robustness of internal market risk measurement methods by comparing the calculated market risk figures with the volatility of the actual outcomes. For Belfius Bank, backtesting is essential because we employ internal models to determine the regulatory capital requirements for certain market risks.

The outcome of the back test is the count of actual market losses that exceed their corresponding VaR figures (known as "the number of exceedances"). Based on this count, regulators decide upon the multiplier to apply when determining the regulatory capital requirement for market risks.

At Belfius Bank, two types of back testing are currently conducted:

- Hypothetical back testing compares the portfolio's end-of-day value with its value at the end of the following day, assuming no changes in positions. This result excludes any provisions adjustments and other unrelated risk factors, with a holding period of one day. In 2024, there were no negative exceptions observed in the hypothetical back testing;
- Real back testing, on the other hand, compares the portfolio's end-of-day value with its actual value at the end of the subsequent day, excluding fees, commissions, and net interest income. In 2024, there were no negative exceptions observed in the real back testing.

Liquidity risk

1. Liquidity risk at Belfius Bank

1.1. Liquidity management framework

Belfius Bank manages its liquidity with a view to complying with internal and regulatory liquidity ratios. In addition, limits are defined for the balance sheet amount that can be funded over the short term and on the interbank market. These limits are integrated in the Risk Appetite Framework (RAF) approved by the Board of Directors and reported on a quarterly basis. Available liquidity reserves also play a key role regarding liquidity: at any time, Belfius Bank ensures it has sufficient quality assets to cover any temporary liquidity shortfalls, both in normal markets and under stress scenarios. Belfius Bank defined specific guidelines for the management of LCR eligible bonds and non LCR eligible bonds, both approved by the Management Board. All this is laid down in the liquidity guideline, approved by the ALCo.

Asset and Liability Management (ALM), a division situated within the scope of the Chief Financial Officer (CFO), is the front-line manager for the liquidity requirements of Belfius Bank. It identifies, analyzes and reports on current and future liquidity positions and risks and defines and coordinates funding plans and actions under the operational responsibility of the ALCo and under the general responsibility of the Management Board. The funding plan is approved together with the financial plan by the Board of Directors, which delegates its execution to the ALCo. The ALCo also bears final operational responsibility for managing the interest rate risk contained in the banking balance sheet via the ALM department.

ALM organizes a regular Asset and Liability Forum (ALF), in the presence of the Risk department, the Treasury department of the Financial Markets and representatives of the commercial business lines. The Asset and Liability Forum is in the first place a discussion forum on all topics with a link to the ALCo in preparation to the ALCo memos. This forum has been mandated by the ALCo to translate the strategic funding plans into tactical and operational funding strategies aligned to the financing needs stemming from Belfius' balance sheet and within the regulatory constraints (LCR, NSFR, encumbrance, MREL and so on).

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

ALM reports daily to the CFO and CRO and quarterly to the Board of Directors about the 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 hypotheses and models, realizes simulation over stress situations and oversees compliance with limits, as laid down in the Liquidity Guidelines.

1.2. Exposure to liquidity risk

The liquidity risk at Belfius Bank is mainly stemming from:

- the variability of the amounts of commercial funding collected from individuals and business customers, small, medium-sized and large companies, public and similar customers and allocation of these funds to customers through all type of loans;

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

This year, Belfius managed to maintain a strong liquidity position mainly through the increase in commercial funding, complemented by short and long term wholesale funding, as our strong rating and good perception from wholesale investors made it possible to easily access the markets when necessary. At the maturing of the 1 Year Government bond, Belfius launched a product offering that enabled the collection of EUR 4 billion funding, exceeding the loss of funding in 2023.

1.3. Liquidity Risk Management

Strategies, scope and processes of liquidity risk management

The Liquidity report covers Belfius Bank on a consolidated level, i.e. the Bank with its subsidiaries and branches, incl. companies for securitization, excluding Belfius Insurance.

The strategy of the liquidity risk management is described in the Liquidity Risk Management Guidelines and in the Risk Appetite Framework (RAF). The RAF constitutes the highest level of risk limits and principles that express the risk tolerance of the Bank.

Monitoring is done through internal and regulatory liquidity Key Risk Indicators (KRI), with respective internal limits set up in the RAF. The liquidity KRI are reported on a regular basis and any exceeding of the limit is reported to the ALF and to ALCo, which has power of decision. Respect of those KRI is also tested under stress scenarios.

In addition, a series of Early Warnings indicators are monitored daily to identify as soon as possible liquidity tension on the markets.

In addition to the regulatory indicators, liquidity risk management focuses on:

- Internal liquidity ratio: this ratio measures the remaining liquidity after a financial crisis that lasts for 3 months. The scenario starts as a systemic crisis evolving into a Belfius specific liquidity crisis with a bank run;
- Funding Gap: a daily follow up of the maximum funding gap limits by currency and by maturity bucket;
- Funding Plan and stress testing: development of a strategic Funding Plan with the projection of the funding sources and requirements over the next 5 years giving a projection of the liquidity reserves, LCR ratio, NSFR ratio, MREL requirements and Asset Encumbrance ratio. A severe stress scenario, combining Belfius specific and market specific events is applied on this Funding Plan: all RAF limits on liquidity KRI have to be respected;
- Funding Plan and stress testing: development of a strategic Funding Plan with the projection of the funding sources and requirements over the next 5 years (2024 was less than 5 years) giving a projection of the LCR ratio, NSFR ratio, MREL requirements and Asset Encumbrance ratio. Two plausible and one reverse stress test scenario, combining Belfius specific and market specific events, are applied on this funding plan by Risk and all RAF limits on liquidity KRI have to be respected after management actions;
- Collateral management: daily monitoring of collateral position and collateral needs of the Bank and their respective impact on liquidity;
- Intraday liquidity risk: in order to meet payment and settlement obligations on a timely basis under both normal and stressed conditions Belfius must have a sufficient buffer for operational and stressed outflows. The intraday liquidity is managed by the Treasury desk and controls are performed by Operations and Risk Management with a reporting of these tests to the ALF;
- Contingency Funding Plan (CFP): through a daily dashboard Belfius Bank created an adequate early warning system to detect market specific or Belfius specific liquidity events. A set of recovery measures is defined and regularly tested in the market with realistic amounts of funding, time to market and pricing. The CFP is consistent with the crisis management organization of Belfius Bank and has a clear decision process about responsibilities and organization of an ad-hoc ALCo to decide to activate the recovery measures;
- Recovery Plan (RP): in the RP a number of stress scenarios are defined that could bring the Bank near to failure. Recovery measures that can be launched to avoid this failure are tested in various scenarios;

- Liquidity Adequacy Statement (LAS): the ILAAP (internal liquidity adequacy assessment process) results in the LAS where the Management Board confirms that Belfius has enough liquidity to fund its activities and to sustain severe stresses and that liquidity risk is in line with the defined RAF and compliant with ILAAP requirements.

Belfius Bank developed the Liquidity Risk Management Guidelines and the RAF limits in order to remain sufficiently liquid in stress situations, without resorting to recovery actions which would generate significant costs or which would interfere with the core banking business of Belfius Bank.

1.4. Consolidation of the liquidity profile

During 2024, Belfius consolidated its diversified liquidity profile by:

- maintaining a funding surplus within the commercial balance sheet;
- increasing diversified long-term funding from institutional investors;
- collecting short and medium-term (CP/CD/EMTN) deposits from institutional investors;
- issuing an ECB eligible securitization transaction based on a pool of SME loans.

The participation of Belfius Bank in the ECB TLTRO III funding programme came to an end in March 2024.

Belfius Bank closed the year 2024 with a 12-month average LCR of 139%. This is stable compared to December 2023 (138%[14]). This is mainly explained by the repayment of the TLTRO, a continued strong growth in commercial loans, compensated by continued growth in commercial funding and short and long term wholesale funding. The high quality liquid assets (HQLA) end of December 2024 are composed of 66% Level 1 cash, 30% Level 1 bonds, 3% Level 2A bonds and 1% Level 2B bonds.

The Net Stable Funding Ratio (NSFR), based on the binding CRR2 rules and calculated according to EBA templates, stood at 133% at year-end 2024 (compared to 128% at year-end 2023), an increase also explained by the increase in commercial deposits and short and long term wholesale funding.

1.5. Liquidity reserves

At the end of 2024, Belfius Bank had available liquidity reserves of EUR 49.7 billion. These reserves consisted of EUR 22.0 billion in cash, EUR 10.2 billion in ECB eligible bonds and EUR 17.5 billion in other assets also eligible at the ECB (of which EUR 7.5 billion in bank loans and EUR 10.0 billion in retained bonds).

These available liquidity reserves represent 7.3 times the Bank's institutional funding outstanding at the end of 2024 and having a remaining maturity of less than one year.

1.6. Funding diversification at Belfius Bank

The total funding of Belfius Bank amounted to EUR 148.4 billion as at 31 December 2024, compared to EUR 141.1 billion as at end December 2023. Belfius Bank has a funding profile that consists of mainly commercial funding (83%), senior wholesale funding (6%), secured funding (6%), net unsecured ST interbank funding (3%), and subordinated debt (2%).

Belfius Bank, as a universal bank, has a stable volume of commercial funding that comes from its Individuals (IND) and Entrepreneurs, Enterprises and Public (E&E&P) customers. IND and E&E&P funding equals EUR 123.8 billion of which EUR 78.4 billion is from IND. The increase of EUR +6.3 billion commercial funding compared to 2023 is explained by the growth In funding from IND, mainly due to the return of deposits from the 1 year Belgian government bond.

The loan-to-deposit ratio, which indicates the proportion between assets and liabilities of the commercial balance sheet, remained stable at 93% at the end of 2024 as the growth in commercial loans was compensated by the growth in commercial funding. With the decreasing short term rates in 2024, we observed a stabilization in the shift from non-maturing deposits to other commercial funding products such as term deposits.

[14] Restated figure, pro forma due to refinement.

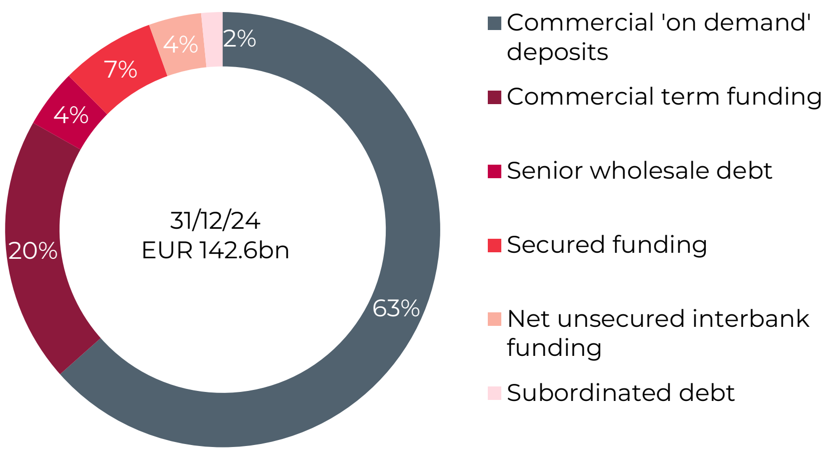
Belfius Bank had a strong issuance year in the wholesale markets to strengthen MREL and refinance calls of capital instruments. Belfius Bank's medium-to-long-term wholesale funding includes EUR 7.0 billion from covered bonds (EUR 5.9 billion backed by mortgage loans and EUR 1.2 billion by public sector loans), EUR 6.6 billion from preferred senior wholesale unsecured, EUR 2.5 billion in non-preferred senior wholesale unsecured, and EUR 2.9 billion from subordinated debt (EUR 2.3 billion in Tier 2 and EUR 0.6 billion in AT1) as at 31 December 2024.

During 2024 Belfius Bank attracted over EUR 5 billion wholesale funding through benchmark issuances and private placements of covered bonds (EUR 0.8 billion), preferred senior unsecured (EUR 2.5 billion), non-preferred senior unsecured (EUR 1.0 billion), AT1 (EUR 0.5 billion), and Tier 2 (EUR 0.6 billion).

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 (CP).

As a result of derivative contracts to cover the interest rate risk of its activities, Belfius Bank has an outstanding position in derivatives for which collateral must be posted and is being received (cash and securities collateral). In net terms, Belfius Bank posts more collateral than it receives. The net cash collateral position has improved from EUR 6.4 billion end of December 2023 to EUR 5.3 billion end of December 2024.

Belfius' main funding sources



1.7. Encumbered assets

Encumbered assets represent the on- and off-balance sheet assets that are pledged or used as collateral for Belfius' liabilities. Belfius has encumbered a part of its loan portfolio for issuing covered bonds and residential mortgage-backed securities (RMBS). Furthermore, assets are encumbered for repurchase agreements and collateral swaps. Finally, a part of Belfius' encumbrance results from collateral posted to secure derivatives transactions.

Belfius is active on the covered bond market since the set-up of the first covered bond programme in 2012.

The Bank also collects funding through repo markets for a limited amount and other collateralised deposits. A small part of the credit claims is pledged directly as collateral for intraday liquidity.

Since 2017 in the context of the management of its liquidity buffer, Belfius is also active in securities lending transactions under agreed Global Master Securities Lending Agreements (GMSLA).

The balance of encumbered assets is mainly linked to covered bonds and collateral pledged (gross of collateral received) for the derivatives exposures under the form of cash or securities. A significant part of collateral pledged is financed through collateral received from other counterparties with whom the Bank concluded derivatives in the opposite direction.

At year end 2024 (point-in-time), the sources of asset encumbrance (matching liabilities) mainly consisted of:

- own covered bonds issued (EUR 7.0 billion);
- derivatives exposures (EUR 3.0 billion);
- repurchase agreements (EUR 1.6 billion).

For the full disclosure under EBA guidelines we refer to the Risk Report of Belfius Bank.

2. Liquidity risk at Belfius Insurance

As an insurance company in terms of liquidity management, Belfius Insurance engages mainly in life insurance liabilities at relatively long term that are largely stable and predictable. Consequently, the funding requirement is quite limited. The premiums paid by policyholders are placed in long-term investments in order to guarantee the insured capital and committed interests at the contract's maturity date. Our liquidity indicators demonstrate that Belfius Insurance constantly holds enough liquid assets to cover its commitments on the liability side of the balance sheet.

In order to ensure that all short-term liquidity requirements can be met, Belfius Insurance has embedded liquidity management in its day-to-day activities through:

- investment guidelines that limit investments in illiquid assets;
- Asset Liability Management, ensuring that investment decisions take into account the specific features of the liabilities;
- policies and procedures put in place to assess the liquidity of new investments;
- follow up of the short-term treasury needs.

In addition, Belfius Insurance also holds a significant amount of unencumbered assets (mainly in governments bonds) eligible for repos in the context of its liquidity management.

The Investment department is responsible for Belfius Insurance's liquidity and cashflow management. Therefore, it uses long-term projections of the cash-flows of assets and liabilities. These cash flows are simulated under both normal and stressed situations.

The assets are valuated in market value. The "Undetermined" category includes the Branch 23 products and shares.

The liability side includes repo transactions and Branch 23 products within the "Undetermined" category.

	2023	
(in millions of EUR)	Assets	Liabilities
< 1 year	832	1,133
1 < 5 year	2,842	2,463
5 year and +	9,295	7,855
Undetermined	6,051	4,177
TOTAL	19,019	15,627

	2024	
(in millions of EUR)	Assets	Liabilities
< 1 year	1,057	1,196
1 < 5 year	2,479	2,550
5 year and +	9,875	8,033
Undetermined	6,283	4,546
TOTAL	19,694	16,325

Non-financial risk – operational risk

1. Non-Financial Risk Management Framework

Non-Financial Risk (NFR) must be understood as a broad umbrella covering all risks except "financial risks" (the latter encompassing market, ALM, liquidity, credit, and insurance risks). NFR covers among others operational risks (including fraud, HR, IT, IT-security, business continuity, outsourcing, data-related, privacy …) as well as reputational, compliance, legal, tax, ESG risks.

The NFR management framework determines the principles that ensure an effective management of the non-financial risks. The principles are further elaborated in specific policies and guidelines adapted to the business activities. These general principles are following the applicable legal and regulatory requirements.

The framework is based on the following pillars:

- a risk mapping and taxonomy in order to ensure consistency within the organization, including a regular review of this mapping and taxonomy to identify emerging risks;
- clear roles and responsibilities, as well as a well-defined way of working together for all the risks based on the three LoD (3 LoD) model (decentralized responsibility);
- a strong governance/committee structure involving the appropriate level of management;
- a Risk Appetite Framework (RAF) definition and monitoring;
- transversal risk processes and dedicated risk management frameworks, which are structured into the following main domains: Change Risk Management, Integrated Risk Management, Risk Culture & Governance, Operational, Resilience, Information Security and Data Privacy (see further).

This framework provides comprehensive risk management and sound risk governance, to ensure an effective and efficient identification, assessment, mitigation and monitoring of non-financial risks.

2. Transversal risk processes

2.1. NFR domain - Change risk management

Being and staying 'inspiring and meaningful for the Belgian society' implies continuous innovation. In that context, change risk management is a corner stone of the global risk management framework, with the New Product Approval Process (NPAP) and Project Risk Management as the main contributions.

2.1.1. New Product Approval Process

The process of developing or changing a function (product, service, activity, process, or system) involves a sound (ex-ante) risk assessment, the so-called New Product Approval Process (NPAP). Its purpose is to ensure that all risks related to any new or changed function are assessed by relevant experts and addressed accordingly and that they are overseen by a dedicated steering committee. It is a risk-based process, where ESG is integrated at inception and with special attention to the due implementation of binding conditions.

2.1.2. Project Risk Management

The ability to deliver projects with high-quality standards within the designated timeframe is a key success factor. In this context, a Project Risk Management framework aims at correctly and timely identifying risks and implement the necessary controls and mitigating plans following a risk-based approach. This framework has been applied to strategic programs and their sub-projects, and the outcomes have been integrated into the Strategic Project Reporting presented to the Board of Directors.

2.2. NFR domain – Integrated risk management

2.2.1. Incident Management

The systematic collection and control of data on operational incidents is one of the main requirements of the Basel Committee regarding operational risk management.

The reporting mechanisms ensure that the responsible parties are notified quickly when incidents occur. Major incidents are investigated thoroughly and are reported to the CRO/Management Board. Such incidents are also subject to specific action plans and appropriate follow-up, under the responsibility of the concerned line management, for avoidance, mitigation, or limitation of the related risk.

For the period 2022-2024, Belfius Bank's average annual potential net losses stemming from operational incidents amounted to EUR 5.15 million. The main areas of operational losses remain essentially due to incidents associated with external fraud where leasing activities are an important contributor, and incidents in relation to execution, delivery, and process management. Other categories remain limited in amount but not necessarily in the number of events.

2.2.2. Self-Assessment of Risks and Internal Controls

Another important task of risk management is the analysis of the overall main potential risks and related key controls, performed within Belfius Group's main entities. This is achieved through a bottom-up self-assessment of risks and internal controls (SARIC) in all departments and subsidiaries, using the COSO methodology to determine the internal control level. These exercises may result in the development of additional action plans to further reduce potential risks. They also provide an excellent overview of the main risk areas in the various businesses. They are conducted annually, and the results are submitted to the respective Boards of Directors. Belfius Bank also submits the senior management report on the assessment of the internal control to its regulators.

The risk profile resulting from the SARIC exercise is quite stable in terms of identified major inherent risks; and remains acceptable regarding global level of both quality of controls & residual risk profile. The main risk categories identified highlight a top-3 with Compliance, External fraud, and Data privacy & security, mainly due to process execution failure and conduct issues and a worsening threat landscape.

2.2.3. Fraud risk management and 2nd LoD Branch Audit

Belfius applies a zero-tolerance policy for all forms of fraud (internal, external, and mixed fraud schemes), monitors the threats continuously and manages these risks based on a global anti-fraud policy as defined and steered by senior management. The roles and responsibilities have been clearly defined with business and support lines as the first risk managers. The CRO and NFR team, including the Anti-Fraud Officer as expert, have a clear 2nd LoD role. Processes are screened and internal controls evaluated to prevent fraud and this to protect the interests of Belfius and its employees, customers, suppliers, and other stakeholders.

Branch Audit, as part of the Risk function and from a 2nd LoD perspective, focusses specifically on traditional 'physical' distribution channels for which it provides, through on-site reviews, an assurance on the degree of control for the risks generated during human interventions in the distribution process and which require a physical presence on site in order to be assessed. Branch Audit also formulates advices in order to improve the functioning of the internal control system within these distribution channels.

2.2.4. Managing insurance policies

Belfius also mitigates the possible financial impact of operational risks by taking insurance policies, principally covering professional liability, fraud, theft, and interruption of business and cyber risk. This is standard practice in the financial services' industry.

2.2.5. Outsourcing risk

Belfius recognizes the importance of addressing outsourcing and third-party risk and fully assumes its responsibilities, including but not limited to overseeing and managing the concerned arrangements and the risks involved, whilst ensuring compliancy with the "Final Report on EBA Draft Guidelines on Outsourcing Arrangements". A sound third party risk management is essential because of a.o. increasing complexity of relationships, increasingly strict rules and regulations regarding data protection, environment, ethics, and safety, and the need to manage and mitigate adequately potential cyber risks.

A dedicated steering (risk) committee ensures a sound governance in third party risk management in line with Belfius strategy, risk appetite and regulatory requirements. The framework has been recently thoroughly revised, including a new target operating model and an extended coverage for all third parties (vendors, suppliers, partners, etc.), which will further ensure their life-cycle (risk) management from engagement to termination, based on a new risk-based approach and including a data protection awareness campaign towards the existing third parties, on-site visits, and a stricter selection process.

2.2.6. Permanent control

Effective risk management requires special attention to internal systems control. Belfius has implemented Permanent Control functions to provide ongoing assurance on the adequacy and effectiveness of its control environment. The permanent control process gains in maturity on a yearly basis with ongoing strengthening of permanent control activities, process, gain efficiency through further implementation of the new GRC solution to support activities and efficiency gain in providing evidence and in conducting tests.

In addition to the organizational deployment of the permanent control function, control testing campaigns are conducted to test the main internal controls within the Bank and evaluate them on appropriateness, effectiveness and efficiency. If any major gaps are identified during testing, action plans are developed to address them.

2.3. NFR domain – Risk culture & governance

The formal definition of a Risk Appetite Framework (RAF) is the key reference for the group Risk Management practice covering both financial and non-financial risks. The RAF for NFR contains quantitative elements (target values or ratios) and qualitative elements (statements) and is articulated around three concepts on which limits are defined:

The RAF is continuously updated and improved regarding RAF indicators, with constant challenging at the governance level and an improving level of maturity.

2.4. NFR domain – Operational resilience

2.4.1. Business continuity & crisis management

Belfius is committed to its clients, counterparties, and regulators to establish, maintain, and test viable alternative plans that, in the event of an incident, enable the continuation or resumption of critical business activities at the agreed operational level and in compliance with Belgian regulations.

The supporting process, the business continuity and crisis management, is aligned with the ISO22301 standard and the BCI Good Practice Guidelines. It is applied in a uniform way in all Belfius entities and relies a.o. on threat analysis, business impact analysis, reallocation strategies (dual office, remote and homeworking, etc.), crisis sesponse & recovery plans for different threats (e.g. cyber security), effective management reporting, business continuity plans as well as exercise and maintenance programs.

In the threat analysis, attention was also given to the impact of climate-related risks on Belfius' assets and activities. If necessary, adequate mitigation actions were taken to minimize impacts and to ensure ability to continue critical services in case of extreme events.

Several exercises have been conducted to test Belfius' ability to react, of which several tabletop exercises to test our capacity to react to tail risks, such as staff reallocation on sites in case of telework failure or resolution planning in accordance with SRB expectations. Belfius also participated successfully in the cyber security exercise organized by the regulator. All exercises were successfully completed and are followed by evaluations and action plans for improvement.

Belfius is committed to complying with the DORA regulation, which takes effect on January 17, 2025. For instance, a renewed ICT risk management framework and a new operational resilience strategy have been approved, along with a digital operational resilience testing program. A comprehensive roadmap has also been defined to address remaining elements, particularly concerning ICT third-party relationships.

As a result, Belfius' Business Continuity Management process is highly developed and ensures the institution's future resilience.

2.4.2. Employment Practices (HR) & Workplace Safety, Damage to Assets & Public Safety risk

Belfius has a very low appetite for physical security and workplace safety risks and strives to provide a safe environment for its staff, clients, guests, and assets by ensuring that its physical security measures and procedures meet high standards. In this regard, a dedicated risk committee systematically monitors the overall situation, especially in case of potential incident.

2.5. Information security management

The purpose of information security is to protect Belfius' data and information, including that belonging to Belfius' customers, against loss of integrity, loss of confidentiality, and unplanned unavailability. To this end, Belfius has developed and deployed its own Information Security Management System (ISMS) framework, which is inspired by ISO 27000 but includes additional control objectives.

In 2024, Belfius continued to deploy ISMS controls, following a risk-based approach. Additionally, the publication and implementation of the regulatory technical standards for the Digital Operational Resilience Act (DORA) marked a milestone and was included into the ISMS framework for all aspects related to Information Security. Furthermore, the key risk indicators for information security have been reviewed in detail to be able to better follow up on our riks appetite in this domain.

2.6. Data privacy management

Respect for privacy and customer satisfaction

The respect for privacy and the protection of personal data is a key commitment at Belfius, which is translated into a sound internal governance and principles to be followed in the respect of GDPR.

To continuous ensure data privacy within Belfius, the Privacy Committee related to GDPR meets regularly. Belfius' Management and several committees are regularly informed about GDPR at Belfius.

The Data Privacy Officer (DPO) is part of the 2nd line of defence. A network of privacy correspondents, active in each department, work closely with the DPO to continuously raise awareness, control, and monitor processes and activities being in line with GDPR.

GDPR conformity, including a risk assessment for the rights and freedom of the owners whose personal data is treated, is ensured in every process involved in offering existing, adapted, and new products, innovative digital tools, services, and information sharing to its clients.

This includes reviewing the privacy notice, implementing an adapted cookie policy and adhering to the rulings of the European Court of Justice on eventual international transfers or access to personal data.

All activities treating personal data are documented in a privacy register by the business lines, and Belfius is highly committed to avoiding personal data breaches and managing any incidents as quickly as possible.

Data subjects can exercise their rights through various means, including the Belfius' online and mobile applications.

Not only for GDPR-related items but for all non-financial risk (NFR) subjects, we provide our full cooperation to regulatory authorities, addressing both specific requests and on-site inspections.

Insurance risk

1. Definition

Belfius Insurance, as a part of the Belfius Group, takes up risk through the insurance contracts that it underwrites. The risks within the underwriting risk category are associated with both the exposure covered by the specific line of insurance (Life or Non-Life) and the specific processes associated with insurance business (claims processing, premium collection, pricing, selection, etc.).

The risks that apply to all lines of the insurance business can be globally categorised as follows:

Life underwriting risk: is the risk arising from the life insurance obligations, in relation to the perils covered and the processes used in the conduct of business. It is split up into seven sub segments:

- mortality risk, which is the risk that mortality increases. It applies to all undertakings for which the pay-outs expected to be made increase when there is a rise in mortality;
- longevity risk is the opposite of the mortality risk. It applies to policies for which a fall in mortality would result in an increase in the expected pay-outs (e.g. pension policies). Improvements in medical treatments that prolong life without restoring the ability to work could cause these risks to materialize at a greater frequency than currently observed;

- morbidity or disability risk relates to the risk of loss or disadvantageous movement in expected benefits caused by changes in the level, nature, trend or volatility of the degree of disability;
- lapse risk for Life is described as the risk of loss or increase in pay-out caused by a difference between the effective exercise rate of the contractual options by the policyholder and the expected exercise rate. The term "options" should be viewed in the broad sense of the word: this sub-module contains options in relation to redemption, cancellation or premium reduction, as well as the expansion of the guarantees. For some policies, exercise may be at the benefit of the insurance company, while for others it may result in a loss. As a result, this sub-module features two scenarios: one in which the options are exercised more frequently than expected and another where they are exercised less frequently;
- expense risk corresponds with the risk that the expenses are higher than expected or that they subdue to higher inflation than expected;
- revision risk only applies for the annuities the amounts of which may be valued negatively for the insurer as the result of a change in the statutory environment or in the policyholder's health situation;
- catastrophe risk is restricted to policies where an immediate and dramatic rise in mortality would result in an increase in benefits.

Non-Life underwriting risk: is the specific insurance risk arising from Non-Life insurance contracts. This uncertainty about the results of the insurer's underwriting could be split in four sub-segments:

- Premium risk is the risk where the amount of premiums received is not sufficient to pay claims that occur during the coverage period to which the premiums relate;
- Reserve risk is the risk of loss or unfavourable change in the value of the insurance undertakings arising from changes in the frequency and severity of the insured events, as well as in the date and amount of the claims to be paid;
- Catastrophe risk is the risk arising from unpredictable events including, but not limited to, windstorms, coastal inundation, floods, severe winter weather, and other weather-related events, pandemics, large-scale fires, industrial explosions, earthquakes and other man-made disasters such as civil unrest and terrorist attacks, that is not covered by the premiums or reserves; and
- Concentration risk: is the risk arising from risk exposures with a loss potential which is large enough to threaten the solvency or the financial position of Belfius Insurance. Belfius analyzes and monitors its concentration risk in a 200 up to 500 meters radius in property, and for locations with a large staff concentration in workers' compensation. Reinsurance contracts are in place to mitigate this concentration risk. Given the activities of Belfius Insurance, the concentration risk is limited. Note that in property insurance there are a limited number of risk exposures exceeding the EUR 100 million threshold, Belfius has reinsured these risk exposures to mitigate the risk.

Product design risk: is the risk of loss resulting from features, options or guarantees that were unanticipated in the design and pricing of the insurance product.

2. Managing the insurance risk

The Risk & Underwriting Committee gives recommendations about strategy in the area of underwriting and reserving within Belfius Insurance and the resulting policy, in particular with regard to the following points:

- types and characteristics of the insurance business that Belfius Insurance is willing to manage;
- selection criteria for the risks that match the risk appetite;
- the way in which the actual underwriting is monitored;
- the managing between, on the one hand, the insurance premiums collected and, on the other, the claims to be paid out when costs are borne;
- identification of the risks arising from the undertakings of Belfius Insurance, including the implicit options and the capital that is guaranteed by the insurance products;
- making provisions for claims.

Reinsurance is one of the methods used to limit the insurance risk. The main objective of reinsurance is to reduce volatility in capital requirements and profits, and to diminish the un-certainty associated with the risk in the insurer's valuation.

The drivers of reinsurance are:

- capacity: reinsurance gives insurers greater flexibility in terms of scope, type of risk and business volume that they can safely accept. This enables insurers to embark on new business or to expand their activities for a short period;
- stability: structured reinsurance programs enable insurers to stabilize their operating income;
- protection: reinsurance provides protection against cumulative financial losses caused by a succession of events (such as poor weather) or against significant financial losses arising from a single event;
- funding: reinsurance can be an alternative to a capital increase;
- expertise: reinsurers assist insurers in their area of expertise. The qualified staff of reinsurance companies offer their services, for instance in establishing a new business.

3. Sensitivities

We refer to note 9.8 of the consolidated financial statements for further information, section Insurance Risk.

4. Development of claims

We refer to note 9.8 of the consolidated financial statements for further information, section Insurance Risk.

CORPORATE GOVERNANCE

Composition of the Management Board and of the Board of Directors of Belfius Bank

1. Management Board

1.1. Composition

CHAIR	Marc Raisière
VICE-CHAIR	Olivier Onclin
MEMBERS	Marianne Collin
	Camille Gillon
	Dirk Gyselinck
	Bram Somers

As at 31 December 2024, the Management Board of Belfius Bank consisted of 6 members, namely: Marc Raisière, Chair, Olivier Onclin, Vice-Chair, Marianne Collin, Camille Gillon, Dirk Gyselinck and Bram Somers.

Olivier Onclin was appointed as Vice-Chair of the Management Board as from 15 October 2024. As from 1 November 2024, Johan Vankelecom is no longer a member of the Management Board. Marianne Collin will succeed Johan Vankelecom as Chief Financial Officer (CFO) as soon as a new Chief Risk Officer (CRO) is hired to replace her. In the meantime, Jean-François Deschamps assumes the role of interim Chief Financial Officer without being a member of the Management Board. As from 1 January 2025, an Executive Committee composed of the CFO ad interim, the Deputy Director Wholesale & Public Banking, the Director People, Brand, Communications & ESG and the Director Legal is put in place in order to support the Management Board.

On the Ordinary General Meeting of Shareholders held on 24 April 2024,

- The mandate of Marc Raisière, as Executive Director, that was set to end immediately after the Ordinary General Meeting of Shareholders in 2025 was renewed as from the Ordinary General Meeting of Shareholders in 2025 for a term of one year, to end immediately after the Ordinary General Meeting of Shareholders in 2026;
- Camille Gillon was appointed as Director, for a term of four years to end immediately after the Ordinary General Meeting of Shareholders in 2028.

The Board of Directors has decided to appoint Hedi Ben Mahmoud as CRO of Belfius Bank effective from 1 April 2025, subject to the approval of the supervisory authority. He will succeed Marianne Collin, who will assume the role of CFO from the same date. The appointment of Hedi Ben Mahmoud as Director will be submitted for approval to the Extraordinary General Meeting of Shareholders on 19 March 2025 (appointment until the Ordinary General Meeting of Shareholders) and to the Ordinary General Meeting of Shareholders on 30 April 2025 (appointment for a term of four years to end immediately after the Ordinary General Meeting of Shareholders in 2029).

Next to that the Board of Directors meeting held on 25 April 2024 decided to grant discharge to the members of the Management Board for the performance of their mandate for the 2023 financial year. The members of the Management Board did not take part in the deliberations and decisions of the Board of Directors in relation to their discharge as they have a conflict of interests.

1.2. Remit

The Management Board is responsible for the effective management of the Bank, directing and coordinating the activities of the various business lines and support departments within the framework of the objectives and general policy set by the Board of Directors. These powers do not include determining the Bank's overall policy, nor actions reserved for the Board of Directors by the provisions in the Companies and Associations Code or by the Banking Law.

The Management Board ensures that the Bank's business activities are in line with the strategy, risk management and general policy set by the Board of Directors. It passes on relevant information to the Board of Directors to enable it to take informed decisions. It formulates proposals and advice to the Board of Directors with a view to defining or improving the Bank's general policy and strategy.

The members of the Management Board form a collegial body. They are required to carry out their duties in complete objectivity and independence.

Under the supervision of the Board of Directors, the Management Board takes the necessary measures to ensure that the Bank has a robust and suitable organisational structure suited to the Bank's organisation, in order to guarantee the effective and prudent management of the Bank in accordance with the Banking Law.

In principle, the Management Board meets once per week.

2. Board of Directors

2.1. Composition

As at 31 December 2024, the Board of Directors consisted of 17 members, six of whom are members of the Management Board (cf. next table). The Board of Directors consists of professionals from a variety of industries, including the financial sector and has the expertise and experience required in relation to the Bank's various operating businesses.

On the Ordinary General Meeting of Shareholders held on 24 April 2024,

- the Director's mandate of Rudi Vander Vennet (Non-Executive Director) was renewed for a term of four years, to end immediately after the Ordinary General Meeting of Shareholders in 2028;
- the Director's mandate of Baroness Lutgart Van den Berghe (Non-Executive Director) was renewed for a term of two years, to end immediately after the Ordinary General Meeting of Shareholders in 2026;
- the Director's mandates of Marc Raisière (Executive Director, Chair of the Management Board) and of Chris Sunt (Independent Director and Chair of the Board of Directors) that were set to end immediately after the Ordinary General Meeting of Shareholders in 2025 were renewed as from the Ordinary General Meeting of Shareholders in 2025 for a term of one year, to end immediately after the Ordinary General Meeting of Shareholders in 2026;
- Camille Gillon was appointed as Director for a term of four years to end immediately after the Ordinary General Meeting of Shareholders in 2028;
- Lieve Mostrey was appointed as Independent Directors as from Ordinary General Meeting of Shareholders in 2025 for a term of four years to end immediately after the Ordinary General Meeting of Shareholders in 2029.

The Director's mandate of Paul Bodart (Independent Director) ended immediately after the Ordinary General Meeting of Shareholders held on 24 April 2024.

The Director's mandates of Johan Vankelecom (Executive Director) and Hélène Goessaert (Independent Director) ended as of 1 November 2024 and on 22 January 2025 respectively.

The appointment of Hedi Ben Mahmoud as Director will be submitted for approval to the Extraordinary General Meeting of Shareholders on 19 March 2025 (appointment until the Ordinary General Meeting of Shareholders) and to the Ordinary General Meeting of Shareholders on 30 April 2025 (appointment for a term of four years to end immediately after the Ordinary General Meeting of Shareholders in 2029).

2.2. Remit

The Board of Directors defines on proposal or recommendation of the Management Board and inter alia supervises:

- the institution's strategy and objectives;
- the risk policy, including the risk tolerance level;

- the organisation of the institution for the provision of investment services, the exercise of investment activities, the provision of ancillary services, the marketing of structured deposits and the provision of advice to clients on such products, including the organisational arrangements, as well as the skills, knowledge and expertise required of the staff, the resources, procedures and mechanisms with or by which the institution provides those services and exercises those activities;
- the integrity policy.

In the context of this responsibility, the Board of Directors is actively involved with the general policy, in particular regarding the supervision of the risk policy, organisation and financial stability of the Bank and its governance, including the definition of the credit institution's objectives and values.

Also, as Belfius Bank is head of the Belfius Group Financial Conglomerate, Belfius Bank's Board of Directors is responsible for the general policy, risk appetite and strategy of the Belfius Group and the compliance of the subsidiaries herewith.

The Board of Directors also approves the Bank's Governance Memorandum.

In 2024, the Board of Directors met twenty-four times.

2.3. Conflicts of interest

During the financial year 2024 several decisions of the Board of Directors required the application of Article 7:115 of the Companies and Associations Code as Member(s) of the Management Board / Director(s) had a conflict of interest of a financial nature.

These decisions referred to:

- the remuneration and to the setting of the individual objectives of the Members of the Management Board.

  The Members of the Management Board did not take part in these deliberations nor in these decision-making. They declared that they had an interest of a financial nature opposed to the interest of the company given that these points concern the determination of their remuneration.

  Excerpt from the minutes of the Board of Directors of Belfius Bank of 25 January 2024

  Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously approved the granting of an overall adjustment (…) of the management contract for the Members of the Management Committee (…) for the 2023 performance year.

  (…)

  Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously approved the assessment of the members of the Management Board and its translation into a performance-related remuneration amounting to (…)

  Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously approved the assessment of the Chair of the Management Board and its translation into a performance-related remuneration amounting to (…)

  (…)

  Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously approved the individual objectives for the members of the Management Board for the year 2024 (…).

  Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously approved the individual objectives for the Chair of the Management Board for the year 2024 (…).

  (…)

  The Board of Directors unanimously approved:

- the setting of the annual fixed remuneration of the Chair of the Management Board at EUR (...) (fixed remuneration) starting 1 January 1 2024.
- the setting of the annual fixed remuneration of the members of the Management Board at EUR (...) for a first term as a member of the Management Board and at EUR (...) for subsequent terms as a member of the Management Board, starting 1 January 2024.

Excerpt from the minutes of the Board of Directors of Belfius Bank of 25 April 2024

Camille Gillon left the meeting for the item related to her remuneration as a member of the Management Board, given that she had an interest of a financial nature opposed to the interest of the company.

(...) based on the positive advice of the Remuneration Committee, the Board of Directors approved, unanimously by those present and represented, the remuneration granted to Camille Gillon as a member of the Management Board (...).

Excerpt from the minutes of the Board of Directors of Belfius Bank of 23 May 2024

Camille Gillon did not participate in the deliberation or the decision on the following two points:

Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously approved the adjustment of the enrollment date for the retirement and guaranteed income plans applicable to members of the Management Board, specifically the enrollment in these plans from the first day of the month during which the mandate takes effect. This adjustment will come into effect on 1 June 2024.

The Board of Directors ratified the fact that Camille Gillon has been affiliated with the retirement and guaranteed income plans applicable to members of the executive committee as of 1 April 2024 (...).

Excerpt from the minutes of the Board of Directors of Belfius Bank of 29 August 2024

Olivier Onclin did not participate in the deliberation or the decision.

Based on the positive advice of the Remuneration Committee, the Board of Directors unanimously agreed to grant Olivier Onclin, starting from his appointment as Vice President of the Executive Committee, an annual base salary of EUR (...).

- the discharge granted to the Members of the Management Board.

According to article 7:109, § 3 of the Companies and Associations Code, after the adoption of the annual accounts, the Board of Directors has to decide on the granting of discharge to the Members of the Management Board. The Board of Directors has to describe the pecuniary consequences of the proposed decision and the justification for its decision.

Excerpt from the minutes of the Board of Directors of Belfius Bank of 25 April 2024

Marc Raisière, Marianne Collin, Dirk Gyselinck, Olivier Onclin, Bram Somers and Johan Vankelecom did not take part in the deliberations nor in the decision-making as they have a conflict of interest.

The Board of Directors acknowledged that there is a financial conflict of interest for the aforementioned individuals. However, since the Board of Directors did not intend to take legal action against the Management Board and/or its members, the decision has no financial impact for Belfius Bank.

Therefore, the Board of Directors unanimously decided to grant discharge to the members of the Management Board for their activities during the financial year 2023.

- the mandate renewals of Directors (see above).

In accordance with the procedure provided for under the Companies and Associations Code, the Board of Directors applied the procedure regarding conflicts of interest in the context of granting loans falling within the scope of Article 72 of the Banking Law. It concerns more specifically loans granted to related parties to Paul Bodart, Colette Dierick, Dirk Gyselinck, Hélène Goessaert, Isabel Neumann and Baroness Lutgart Van den Berghe, Directors of Belfius Bank, respectively under conditions applicable to customers.

BOARD OF DIRECTORS OF BELFIUS BANK (31/12/24)	MAIN FUNCTION	Non-executive director	Management Board	Independent director	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Intra-group Committee	Technology Committee
CHRIS SUNT	Chair of the Board of Directors of Belfius Bank SA	*		●		●	●		*	
MARC RAISIÈRE	Chair of the Management Board of Belfius Bank SA		*							
OLIVIER ONCLIN	Member of the Management Board of Belfius Bank SA Vice-Chair of the Management Board as from 15 October 2024 Responsible for Private, Business & Retail Banking(1)		●							
MARIANNE COLLIN	Member of the Management Board of Belfius Bank SA Chief Risk Officer, responsible for Risk Management & Compliance		●							
CAMILLE GILLON(2)	Member of the Management Board of Belfius Bank SA Chief Transformation Officer		●							
DIRK GYSELINCK	Member of the Management Board of Belfius Bank SA Responsible for Wealth, Enterprises & Public(3)		●							
BRAM SOMERS	Member of the Management Board of Belfius Bank SA Chief Technology Officer		●							
JOHAN VANKELECOM(4)	Member of the Management Board of Belfius Bank SA Chief Financial Officer, Responsible for Corporate Strategy, Capital Management, Financial Conglomerate Steering and Investor Relations, ALM, Legal, Tax, Accounting, SPPM, Strategic Research and Belfius Asset Management		●							
PAUL BODART(5)	Director of companies and non-profit organisations	●		●	●					*
ESTELLE CANTILLON	FNRS Research Director at the Université Libre de Bruxelles (ULB)	●		●				●		
COLETTE DIERICK	Director of companies	●		●	●			* (6)	●	
DANIEL FALQUE	Director of companies and non-profit organisations	●		●		●	●			●
OLIVIER GILLEROT	Director of companies and non-profit organisations	●		●			● (7)		●	* (7)
HÉLÈNE GOESSAERT(8)	Director of companies	●		●	●			●		
PETER HINSSEN	Entrepreneur, keynote speaker and author	●		●						●
GEORGES HÜBNER	Full Professor at the HEC Liège, Liège University	●		●	*			●		
ISABEL NEUMANN	Chief Investment Officer at Shurgard Self Storage	●		●						
LUTGART VAN DEN BERGHE	Emeritus extraordinary professor at the University of Ghent and emeritus part-time professor at the Vlerick Business School	●				*	*			
RUDI VANDER VENNET	Full Professor in Financial Economics and Banking at the University of Ghent	●						* (9)		

Notes:
The star refers to chair.
(1) Until 31 December 2024. As from 1 January 2025, responsible for Wholesale & Public Banking as well as People, Brand, Communications and ESG.
(2) From 24 April 2024 onwards.

(3) Until 31 December 2024. As from 1 January 2025, responsible for Private, Wealth & Retail Banking and Belfius Asset Management.
(4) Until 1 November 2024.
(5) Until 24 April 2024.
(6) From 17 May 2024 onwards.
(7) From 25 April 2024 onwards.
(8) Until 22 January 2025.
(9) Chair of the Risk Committee until 16 May 2024.

Relationship between the Board of Directors and the Management Board

Management of the credit institution's activities remains under the sole authority of the Management Board. Such management takes place without any outside intervention and is carried out within the framework of the general policy laid down by the Board of Directors.

Advisory committees established by the Board of Directors

The Board of Directors established various advisory committees to assist it 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. Members of these advisory committees are member of a maximum of three such advisory committees.

An Intra-group Committee and a Technology Committee have also been established within the governance of the Belfius Group as well as an Art Council.

1. Nomination Committee

The Nomination Committee plays an advisory role and prepares decisions of the Board of Directors of Belfius Bank in relation to appointments, HR, succession plans, and so on. It also ensures the application of provisions concerning corporate governance. With the objective of efficiency and consistency regarding group policy, this committee also prepares decisions of the Board of Directors of Belfius Insurance and Belfius Asset Management in this regard.

1.1. Composition

CHAIR	Lutgart Van den Berghe
MEMBERS	Daniel Falque
	Chris Sunt Chair of the Board of Directors of Belfius Bank

1.1.1. General aspects

As at 31 December 2024, the Nomination Committee for Belfius Bank consists of the following members: Baroness Lutgart Van den Berghe, Chair, Daniel Falque and Chris Sunt.

Baroness Lutgart Van den Berghe (until 23 April 2024) and Daniel Falque, Independent Directors of Belfius Insurance as well, represented / represent Belfius Insurance at the Nomination Committee for matters concerning Belfius Insurance.

1.1.2. Independence and expertise

All the members of the Nomination Committee are non-executive directors.

Baroness Lutgart Van den Berghe, Doctor in Economics, is an emeritus extraordinary professor at the University of Ghent and emeritus part time professor at the Vlerick Business School. She is also member of the *Koninklijke Vlaamse Academie van België voor Wetenschappen en Kunsten*.

Daniel Falque holds a Master in International & Public Affairs. He has over 30 years of experience in the banking and insurance industry, gaining in-depth knowledge and experience in banking, financial and insurance areas and management through the different senior management positions he endorsed during his career in Belgium and abroad.

Chris Sunt holds a masters of law degree. He was a member of the Brussels' Bar from 1980 until 2020, when he became "ere-advocaat/avocat honoraire". In his 40 years as a practicing lawyer specialised in corporate and banking law and in financial services regulation. He is the Chair of the Board of Directors of Belfius Bank.

The majority of the members of the Nomination Committee of Belfius Bank are independent directors and have professional experience in the financial sector.

One of the members also sat on the Nomination and Remuneration Committee of a listed company.

Different members have professional experience as executive directors and all the members have professional experience as non-executive directors in various sectors of activity. Consequently, the members of the Nomination Committee have the required skills, based on their education and diverse professional experience, to give a competent and independent judgement on the composition and operation of the Bank's management bodies, in particular on the individual and collective skills of their members and their integrity, reputation, independence of spirit and availability.

1.2. Remit

The Nomination Committee:

- identifies and recommends, for the approval of the General Meeting of Shareholders or of the Board of Directors, as the case may be, candidates suited to fill vacancies on the Board of Directors, evaluates the balance of knowledge, skills, diversity and experience within the Board of Directors, prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected;
- The Nomination Committee also decides on a target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented gender in order to meet that target;
- gives an opinion on candidate(s) suited to filling vacancies for independent control functions;
- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically, assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, in order to make recommendations to the Board of Directors;
- as the case may be gives an opinion or recommendation on reputational issues related to (Non) Executive Director(s);
- plans the renewal and orderly succession of directors and persons responsible for independent control functions;
- prepares proposals for the appointment or mandate renewal, as the case may be, of directors, members of the Management Board, the Chair of the Board of Directors and the Chair of the Management Board;
- assesses the aptitude of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines questions relating to succession matters;
- establishes a general and specific profile for directors;
- 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;
- discusses the internal rules for the evaluation of the suitability of members of the Management Board, Non-Executive Directors, and heads of independent control functions;
- discusses (the internal rules for) the recruitment, assessment and training of the members of the Management Board, Non-Executive Directors, and heads of independent control functions suited to the needs of the Belfius Group;
- assesses the governance memorandum and if necessary proposes amendments;

- discusses general human resources topics;
- discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions taken to remedy situations.

In performing its duties, the Nomination Committee ensures that decision-taking within the Board of Directors is not dominated by one person or a small group of persons, in a way which might be prejudicial to the interests of the Bank as a whole.

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

In 2024, the Nomination Committee met ten times.

1.3. Recruitment policy

1.3.1. Requirements associated with the position of director/member of the Management Board

Each Director/Member of the Management Board must, on his or her appointment and for the entire term of his or her mandate, have the expertise and professional integrity required to perform his or her tasks. Within this framework, a position profile has been established by the Bank. Moreover, the Bank periodically makes an assessment of the aptitude of directors, members of the Management Board and members of the advisory committees.

In accordance with the applicable regulation, every Director must, without being prompted to do so, notify the Bank about elements that may have an impact on his or her required expertise, professional integrity and availability to exercise his or her function as a director.

1.3.2. Procedure for appointment/renewal of mandate

1.3.2.1. Directors

Directors are appointed by the General Meeting of Shareholders (or by the Board of Directors if a director is co-opted) on a proposal from the Board of Directors, after obtaining the opinion of the Nomination Committee. The appointment or renewal of the mandate of a Director must be approved in advance by the Regulator (ECB and NBB).

The Nomination Committee prepares proposals for appointments, co-opting or renewal of the mandates of directors.

On the renewal of a Director's mandate, the Nomination Committee, based on an internal evaluation performed by the entire Board of Directors under the direction of an external provider, will make an assessment of his or her participation within the Board of Directors and ensure that there are no new elements that could negatively impact the aptitude of the director to perform a new mandate. The Nomination Committee will also make sure, based on a competence matrix, that the Board of Directors has sufficient competencies to realize the strategy and to deal with future challenges. The Committee then provides advice to the Board of Directors.

On a first appointment or mandate renewal, the Chair of the Board of Directors and the Nomination Committee will ensure that the Board of Directors and the General Meeting of Shareholders have sufficient information with regard to the candidate Director to be able to assess whether the latter has the expertise and professional integrity required to perform these tasks.

BOARD OF DIRECTORS	Number of members	17
	Ratio men/women	58.8% / 41.2%
	Independent directors	9
	Main degree qualifications (several people may have more than one degree)	Economics / Business Administration / Finance / Law / Engineering / Mathematics / Actuarial Sciences / International and Public Affairs
MANAGEMENT BOARD	Number of members	6
	Ratio men/women	66.7% / 33.3%
	Main degree qualifications (several people may have more than one degree)	Engineering / Economics / Business Administration / Mathematics / Actuarial Sciences

1.3.2.2. Members of the Management Board

The Chair and Members of the Management Board are appointed by the Board of Directors from among the Directors who have acquired professional experience in the banking and financial sector, on proposal of the Management Board, after obtaining the opinion of the Nomination Committee and the approval of the Regulator (ECB and NBB). As for the Chair of the Management Board, his or her appointment will be decided by the Board of Directors on proposal of the Management Board, after consultation with the Chair of the Board of Directors and positive opinion of the Nomination Committee.

1.4. Diversity policy

A diverse Board of Directors includes differences in background, language, gender, age and professional skills relevant for Belfius. These differences are to be considered in determining the optimum composition of the Board of Directors (competence matrix) and when possible, should be balanced appropriately.

The Nomination Committee reviews and assesses the composition of the Board of Directors on behalf of the Board of Directors and recommends the appointment of new Directors. In reviewing the Board of Directors' composition, the Nomination Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above.

In identifying suitable candidates for appointment to the Board of Directors, the Nomination Committee will consider candidates on their merit against objective criteria and with due regard for the benefits of diversity on the Board of Directors.

The Nomination Committee also conducts the annual review of the Board of Directors' effectiveness and performs a regular evaluation of the individual Directors. As part of these evaluations of the effectiveness of the Board of Directors, advisory committees and individual Directors, the Nomination Committee will consider the balance of skills, experience, independence and knowledge of Belfius Bank on the Board of Directors and the diversity of the Board of Directors.

Furthermore, on 25 August 2015, the Nomination Committee set a target to be achieved with regard to gender representation on the Board of Directors and established a policy aimed at increasing the number of members of the currently underrepresented gender in order to achieve that target.

The Nomination Committee has set a target of achieving and maintaining a minimum of one-third representation of the other sex on the Board of Directors (Management Board included). For the application hereof, the required minimum number of members of the underrepresented sex will be rounded off to the nearest whole number.

Should the number of Directors of the underrepresented gender be less than one third, the next Ordinary General Meeting of Shareholders will compose a Board of Directors that will meet this requirement.

The Nomination Committee annually discusses the status of diversity within the Board of Directors on an annual basis.

As at 31 December 2024, the Board of Directors was composed in line with the principles stated above.

2. Remuneration Committee

The Remuneration Committee has an advisory role and prepares decisions of the Board of Directors of Belfius Bank regarding remuneration. With the objective of efficiency and consistency regarding group policy, this committee also prepares decisions of the Board of Directors of Belfius Insurance and Belfius Asset Management in this regard.

2.1. Composition

CHAIR	Lutgart Van den Berghe
MEMBERS	Daniel Falque
	Olivier Gillerot(1)
	Chris Sunt Chair of the Board of Directors of Belfius Bank

(1) From 25 April 2024 onwards.

2.1.1. General aspects

As at 31 December 2024, the Remuneration Committee for Belfius Bank consists of the following members: Baroness Lutgart Van den Berghe, Chair, Daniel Falque, Olivier Gillerot and Chris Sunt.

Olivier Gillerot was appointed as a member of the Remuneration Committee on 25 April 2024.

Baroness Lutgart Van den Berghe (until 23 April 2024) and Daniel Falque, Independent Directors of Belfius Insurance as well, represented / represent Belfius Insurance at the Remuneration Committee for matters concerning Belfius Insurance.

2.1.2. Independence and expertise

All the members of the Remuneration Committee are non-executive directors.

Baroness Lutgart Van den Berghe, Doctor in Economics, is an emeritus extraordinary professor at the University of Ghent and emeritus part time professor at the Vlerick Business School. She is also member of *the Koninklijke Vlaamse Academie van België voor Wetenschappen en Kunsten.*

Daniel Falque holds a Master in International & Public Affairs. He has over 30 years of experience in the banking and insurance industry, gaining in-depth knowledge and experience in banking, financial and insurance areas and management through the different senior management positions he endorsed during his career in Belgium and abroad.

Olivier Gillerot is a commercial engineer. He has over 30 years of experience in advising banks and other financial institutions on strategy, operations, and technology. Additionally, he has more than 10 years of experience as a CEO, having led Accenture Belux and other critical operational units of Accenture in Europe.

Chris Sunt holds a masters of law degree. He was a member of the Brussels' Bar from 1980 until 2020, when he became "ere-advocaat/avocat honoraire". In his 40 years as a practicing lawyer he specialised in corporate and banking law and in financial services regulation. He is the Chair of the Board of Directors of Belfius Bank.

The majority of the members of the Remuneration Committee of Belfius Bank are independent directors and all the members have professional experience in the financial sector.

One of the members also sat on the Nomination and Remuneration Committee of a listed company.

Consequently, 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 judgement on remuneration policies and practices and on the incentives created for managing risks, capital and liquidity of the Bank.

2.1.3. Collaboration and interaction with other advisory committees of the Board of Directors

In order to perform its tasks correctly (cf. also infra), in 2024 the Remuneration Committee interacted 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 is correctly taken into consideration in decisions relating to remuneration policy.

Within Belfius Bank, this is reflected by the formulation of an opinion on a global "Risk Gateway" (cf. § 2.3.1.3) and by the establishment and assessment of Key Risk Indicators on an annual basis. Their preparation is undertaken by the Risks divisions, in collaboration with the Human Resources division.

The Audit Committee contributes to the establishment of objectives for the Auditor General and the Audit and Risk committee for the objectives for the Compliance Officer.

The audit department at Belfius Bank will provide an independent and regular analysis of the remuneration policy and its practical implementation. The latest follow-up study was realised in 2022.

2.2. Remit

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

- developing the remuneration policy, as well as making practical remuneration proposals for the Chair, the non-executive members of the Board of Directors and the members of the advisory committees of the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting of Shareholders for approval;
- developing the remuneration policy, as well as making practical proposals for the remuneration of the Chair of the Management Board and, on his proposal, for the remuneration of the members of the Management Board. The Board of Directors then determines the remuneration of the Chair and the members of the Management Board;
- providing advice on the proposals made by the Chair of the Management Board of Belfius Bank in relation to the severance remuneration for members of 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 Chair and members of the Belfius Bank Management Board;
- advising the Board of Directors in relation to the remuneration policy for staff members whose activity has a material impact on the risk profile of Belfius Bank (known as "Identified Staff") and in relation to the compliance of the allocation of remuneration to Identified Staff with regard to the remuneration policy put in place for them;
- preparing the remuneration report approved by the Board of Directors and published in the annual report;
- periodically checking to ensure that the remuneration programmes are achieving their objective and are in line with applicable conditions;
- annually assessing the performance and objectives of the members of the Management Board;
- providing an opinion of the elaboration of a global "Risk Gateway", in consultation with the Risk Committee, containing various levers applied at various points in the performance management cycle, with an impact on determination of the variable remuneration.

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

In 2024, the Remuneration Committee met thirteen times.

2.3. Remuneration

2.3.1. Introduction

2.3.1.1. Decision-taking powers

The Board of Directors decides on the remuneration of the members of the Management Board at Belfius Bank based on the advice of the Remuneration Committee and the Chair of the Management Board.

The Management Board sets the remuneration of the senior managers who may have a material impact on the risk profile of Belfius Bank, subject to the nature or level of the positions in question and/or their remuneration, within the framework of the remuneration policy. The Remuneration Committee gives advice regarding this policy.

The remuneration policy of Belfius Bank and its subsidiaries was developed by Human Resources and the Legal Department and submitted for advice to the Remuneration Committee. The Risk Committee is also involved in developing the remuneration policy. The remuneration policy is approved by the Board of Directors.

2.3.1.2. Remuneration policy

The remuneration policy includes on the one hand general principles applicable to all Belfius Bank staff members. On the other hand, taking the principle of proportionality agreed in advance with the regulator into account, it includes specific provisions exclusively applicable to the members of the Management Board and to staff members whose activity has a material impact on the risk profile of Belfius Bank (i.e. “Identified Staff”), given the nature or level of the positions themselves and/or their remuneration.

When annually updating the list of “Identified Staff”, Belfius Bank takes account of the Belgian and European legislation. The Remuneration Committee and the Risk Committee are also informed of the result of such update.

2.3.1.3. Strategy guidelines approved by the Board of Directors in accordance with regulations

Fixed remuneration forms an appreciable part of total remuneration, taking into account the experience, the competences, education and qualifications of staff members, their duties, responsibility and the level of their position.

Limiting the portion of remuneration related to performance and results achieved, is intended to discourage excessive risk taking. The proportion between fixed and variable remuneration is 30% for members of the Management Board and less for senior management, when targets are reached. Exceptional performance can never result in that percentage being more than 50%.

The envelope for performance-related remuneration (performances in 2024) for the “Identified Staff” was determined in relation to the evolution of the net income of Belfius Group. When deciding the envelope for performance-related remuneration, one of the main drivers will always be a sound capital basis.

The policy also includes a risk gateway, which is a mechanism (ex-ante) involving the total budget for the variable remuneration of senior management (members of the Management Board included) being reduced in the case of a material deterioration of solvency ratios (Solvency II ratio, CET 1 ratio) or liquidity ratio (LCR) under the levels fixed in the risk framework. From 2024, an additional ratio was added to the Risk Gateway, namely the Non-Performing Loans ratio.

The performance-related remuneration is paid individually depending on the available envelope, collective results and the achievement of individual objectives.

Key Risk Indicators (KRI) have been included in the objectives of members of the Management Board and staff members whose activity has a material impact on the risk profile of Belfius Bank. The aim is to take proper account of the different types of (current and future) risks at each point in the assessment cycle: an insufficient score on one or more of such risk indicators has a negative impact on the variable remuneration.

The establishment, monitoring and assessment of these risk indicators are coordinated by the Chief Risk Officer (CRO) and submitted to the Risk Committee and the Remuneration Committee. Where appropriate, the CRO will confer with the General Auditor and the Compliance Officer and will also consult regularly with the Human Resources division.

Belfius Bank may also reduce performance-related remuneration, or even take it to zero, in the event of poor (collective or individual) performances, taking account of the level of seniority of the staff member and/or the legal basis on which that performance-related remuneration is founded.

At the end of 2015, a policy in relation to deferred variable remuneration (“deferral”) was established for staff members whose activity has a material impact on the risk profile of Belfius Bank. This proposal was formulated by the Human Resources division, in collaboration with the Capital & Liquidity Management, Legal and Risk divisions. This policy has been applied each year since 2015.

In practical terms, for staff members whose activities have a material impact on the risk profile of Belfius Bank, to the extent that their performance-related remuneration exceeds EUR 50,000, 50% of the remuneration will be deferred over a period of 6 years (60% if the performance-related remuneration is higher than EUR 200,000) for members of the Management Board and 'Senior Management', and 40% of the remuneration will be deferred over a period of 5 years (60% if the performance-related remuneration is higher than EUR 200,000) for the others. 50% of the total variable remuneration will be paid by way of a financial instrument which reflects the financial health of the business. The terms of this policy are integrated in the Belfius Group's remuneration policy.

The risk gateway (cf. above) will also be applied at the end of the first quarter of each year to determine whether the deferred variable remuneration payable in that year can also effectively be paid.

If appropriate, variable remuneration may be subject to an ex-post risk adjustment via a malus or clawback clause.

2.3.2. Remuneration of members of the Management Board

2.3.2.1. Fixed and performance-related remuneration

The remuneration of the members of the Bank's Management Board consists of a fixed part and a performance-related part.

The fixed and performance-related remuneration of members of the Management Board constitutes a whole from which are deducted any attendance fees or directors' fees paid to a member of the Management Board by a third-party company (for which the member performs a mandate on behalf of Belfius Bank).

The remuneration and the individual targets of the members of Management Board members are decided on by the Board of Directors. The members of the Management Board (except the Chair of the Management Board) do not take part in the deliberation, nor in the decision-making. The Chair of the Management Board does not take part in the deliberation, nor in the decision-making with regard to his personal situation.

2.3.2.2. Remuneration for 2024

Remuneration of the Chair of the Management Board

Fixed remuneration

The fixed remuneration of the Chair of the Management Board amounts to EUR 875,000.

The granted premium for his group insurance, for other insurance policies (mainly insurance against death and disability) and the other benefits (mainly reimbursement of expenses and company car costs) amounted to EUR 316,504.

Performance-related remuneration

The Board of Directors decided to grant to the Chair of the Management Board a performance-related (2024) remuneration of EUR 332,184. The acquisition of this amount is spread over 7 years, provided certain conditions are met. Half of the total (deferred) performance-related remuneration is awarded in cash and the other half in a financial instrument.

A first payment of EUR 66,436 of this variable remuneration for services in 2024 is scheduled to be made at the beginning of 2025.

The balance of the performance-related remuneration will be spread over the coming 6 years.

On the basis of the performance-related remuneration of 2019, 2020, 2021, 2022, 2023 and 2024, provided certain conditions are met in the coming 6 years, the Chair of the Management Board may receive a deferred performance-related remuneration as follows: EUR 236,003 in 2026; EUR 161,719 in 2027; EUR 131,398 in 2028; EUR 96,572 in 2029; EUR 58,941 in 2030 and EUR 19,932 in 2031.

It is worth reiterating that every payment of (deferred) performance-related remuneration may be subject to an ex-post risk adjustment via a malus or clawback clause (cf. 2.3.1.3. supra). The part paid through a financial instrument is also dependent on the annual evaluation of this instrument.

In 2024, an amount of EUR 272,174 was paid to the Chair of the Management Board as performance-related remuneration linked to the performance in 2017, 2018, 2019, 2020, 2021, 2022 and 2023.

Consequently, an amount of EUR 1,147,174 was paid to the Chair of the Management Board (fixed salary and variable remuneration) in 2024. Taking into account the amounts granted for the group insurance and other insurances and benefits for the Chair of the Management Board, the total amount related to the financial year 2024 is EUR 1,463,678 (fixed salary, variable salary, group insurance, other insurance and benefits).

Remuneration of the other members of the Management Board

Fixed remuneration
The fixed remuneration of the members of the Management Board (divided among 6 persons[15]) amounts to EUR 2,740,310.

The (aggregated) granted premium for their group insurance, for other insurance policies (mainly insurance against death and disability) and the other benefits (mainly reimbursement of expenses and company car costs) amounted to EUR 934,625 (divided among the 6 members).

Performance-related remuneration
The Board of Directors decided to grant to the members of the Management Board (6 persons) a performance-related remuneration for 2024 totalling EUR 965,564. Half of the respective total (deferred) performance-related remuneration for each member of the Management Board is awarded in cash and the other half in a financial instrument. The acquisition of this amount is spread over 7 years, provided certain conditions are met.

A first payment of EUR 230,794 of this variable remuneration for services in 2024 is scheduled to be made at the beginning of 2025. The balance will be spread over the coming 6 years.

On the basis of the performance-related remuneration of 2019, 2020, 2021, 2022, 2023 and 2024, provided certain conditions are met in the coming 6 years, the members of the Management Board may receive a deferred performance-related remuneration EUR 599,575 in 2026; EUR 362,370 in 2027; EUR 300,432 in 2028; EUR 231,526 in 2029; EUR 147,985 in 2030 and EUR 50,395 in 2031.

It is worth reiterating that every payment of (deferred) performance-related remuneration may be subject to an ex-post risk adjustment via a malus or clawback clause (cf. 2.3.1.3. supra). The part paid through a financial instrument is also dependent on the annual evaluation of this instrument.

In 2024, an amount of EUR 696,584 was paid to the six members of the members of the Management Board as performance-related remuneration linked to the performance in 2017, 2018, 2019, 2020, 2021, 2022 and 2023.

Consequently, an amount of EUR 3,436,894 was paid to the six members of members of the Management Board (fixed salary and variable remuneration) in 2024.

Taking into account the amounts granted for the group insurance and other insurances and benefits for the six members of the Management Board, the total amount related to the financial year 2024 is EUR 4,371,519 (fixed salary, variable salary, group insurance, other insurance and benefits).

Option plans

Belfius Bank has no option plan. During 2024, no option was granted to members of the Management Board or exercised by the latter.

In accordance with Article 450 of Regulation No. 575/2013, Belfius Bank declares that a remuneration of more than EUR 1 million was granted to one staff member of Belfius Bank in 2024.

In 2024, no exceptional bonus was granted within the context of a recruitment.

Severance remuneration

As of 1 November 2024, on the initiative of Belfius Bank, the collaboration with Johan Vankelecom, member of the Management Board and also Director of Belfius Bank, was terminated. This decision was primarily based on a difference in vision regarding the future organization.

[15] One person has been a member of the management committee until 1 November 2024.

In accordance with Belfius' remuneration policy and the contractual agreements in the management agreement, the Board of Directors of Belfius Bank decided, based on a unanimous and well-founded advice from the Remuneration Committee, to grant the member of the Management Board in question:

- A severance compensation amounting to EUR 620,046 (this compensation was determined based on seniority of more than 13 years as a member of the Management Board of Belfius Bank, in line with the legal provisions regarding dismissal in the context of an employment contract, and will be paid in full upon obtaining the approval of the Ordinary General Meeting of Belfius Bank, as mentioned hereinafter);
- A non-competition compensation amounting to twelve months of fixed salary, i.e. EUR 699,300 in total, as compensation for the non-competition commitment for a period of twelve months and to offset the associated income loss. This non-competition compensation will be paid in twelve equal monthly installments during the non-competition period;
- A variable remuneration for the performance year 2024 amounting to EUR 79,254, which will be paid in accordance with Appendix 2 to the Banking Law, with the payment being made as follows: EUR 19,814 after obtaining the approval of the Ordinary General Meeting of Belfius Bank, as mentioned hereinafter, and the remaining balance spread over the next 6 years.

The total severance compensation was communicated to the Works Council of Belfius Bank on 14 March 2025 (the Works Council can request to issue an opinion on this matter and had to inform by no later than 24 March 2025. The Works Council has indicated that it does not wish to issue an opinion.) and will be submitted for approval to the Ordinary General Meeting of Belfius Bank on 30 April 2025, in accordance with Article 12, Appendix II of the Banking Law.

2.3.3. Remuneration of staff members whose activity has a material impact on the risk profile of Belfius Bank (excluding the members of the Management Board and the members of the Board of Directors)

Fixed remuneration

The fixed remuneration paid in 2024 to the members of staff concerned (234 staff members at the end of 2024) was EUR 46,887,817.

Performance-related remuneration

A total amount of EUR 8,871,637 was granted to the members of staff concerned as performance-related remuneration for the year 2024.

This amount was granted for:

- EUR 6,301,160 in warrants[16] and for EUR 337,790 in cash;
- EUR 2,173,549 spread over 7 years, EUR 59,138 spread over 6 years, provided certain conditions are met and awarded half in cash/warrants and half in financial instruments.

Based on the performance-related remuneration granted for previous performances, the staff members may receive a delayed performance-related remuneration of EUR 1,981,729, provided certain conditions are met. In 2024, an amount of EUR 891,261 has been paid as performance-related remuneration for previous performances. Please note that each payment of a (delayed) variable remuneration may be subject to an ex-post risk adjustment via a malus or clawback clause (cf. supra 2.3.1.3.). The part paid via a financial instrument also depends on the annual evaluation of this instrument.

Remuneration by business area

In line with the directives from the European Banking Authority (EBA), the overall quantitative data relative to remuneration per business area is stated in the table below.

Option plans

Belfius Bank has no option plan. During 2024, no option was granted to staff members whose activity has a material impact on the risk profile of Belfius Bank or exercised by the latter.

Severance remuneration

[16] A capitalisation share (class C) of the Belfius Equities Europe Conviction, a subfund within the Belfius Equities sicav registered under Belgian law.

In 2024, eight severance remunerations were paid to eight staff members whose activity has a material impact on the risk profile of Belfius Bank.

The total amount of these payments were EUR 2,180,764, the highest of those payments amounted to EUR 823,243.

Sign-on remuneration

For the year 2024, five individuals (referred to in point 2.3.3.) were exceptionally awarded a signing-on bonus.

	Corporate functions	Independent Control functions	Private, Wealth & Retail	Wholesale & Public Banking[1]	Total
Fixed remuneration	13,436,953	8,581,164	8,224,563	16,645,137	46,887,817
Performance related remuneration	2,698,507	1,231,730	1,637,125	3,304,275	8,871,637

(1) Financial Markets included.

Number of meetings and remuneration for each non-executive director in 2024[1]

	Intra-group Committee (4 meetings)	Board of Directors (24 meetings)	Risk Committee (14 meetings)	Audit Committee (13 meetings)	Nomination Committee (10 meetings)	Remuneration Committee (13 meetings)	Technology Committee (7 meetings)	Total Remuneration (in EUR)
Hübner Georges		22	12	13[2]				115,200
Van den Berghe Lutgart		22			10[2]	13[2]		143,100
Sunt Chris	4[2]	24[2]			10	13		296,100
Bodart Paul[3]		5		5			2	34,650
Vander Vennet Rudi		23	13					90,000
Neumann dit Orlicz-Jar Isabel		20						58,500
Hinssen Peter		15					6	60,300
Dierick Colette	4	24	10[2]	11				119,700
Goessaert Hélène		24	13	13				97,200
Gillerot Olivier	3	23				10	6[2]	114,300
Cantillon Estelle		24	14					87,300
Falque Daniel		22			9	11	3	101,700
								1,318,050

(1) Some meetings were not remunerated. Joint meetings of two committees were indeed only once remunerated, for example.
(2) Chair.
(3) End of mandate on 24 April 2024.

2.3.4. Remuneration of members of the Board of Directors (non-executive directors)

The total remuneration paid to members of the Board of Directors of Belfius Bank, except the members of the Management Board (non-executive directors) for 2024 was EUR 1,318,050 for 85 meetings (compared with EUR 1,147,880 in 2023 for 82 meetings). This amount includes the remuneration for their mandate as directors (a fixed amount, which is identical for all members of the Board of Directors, except for the Chair), as well as their fees for attending the Board meetings and the various advisory committees (a fixed amount for each meeting attended, varying for the members of the meeting, on the one hand, and for the Chair, on the other).

The non-executive directors do not receive a performance-related remuneration or options.

The Chair and the members of the Management Board do not receive any indemnity for attending the meetings of the Board of Directors or of the advisory committees.

3. Audit Committee

3.1. Composition

CHAIR	Georges Hübner
MEMBERS	Paul Bodart(1)
	Colette Dierick
	Hélène Goessaert(2)

(1) Until 24 April 2024.
(2) Until 22 January 2025.

3.1.1. General aspects

As at 31 December 2024, the Audit Committee for Belfius Bank consists of the following members: Georges Hübner, Chair, Colette Dierick and Hélène Goessaert.

Paul Bodart was member of the Audit Committee until 24 April 2024.

Hélène Goessaert was member of the Audit Committee until 22 January 2025.

3.1.2. Independence and expertise

The Audit Committee must have at least one independent director with the individual expertise required in accountancy and/or audit. The majority of the members of the Audit Committee must be independent directors. The Chair of the Committee is appointed by its members. Furthermore, the members of the Audit Committee must have collective expertise in the fields of banking as well as accountancy and audit.

As at 31 December 2024, the Audit Committee of Belfius Bank consists of three non-executive directors, all three are independent directors, namely Georges Hübner, Colette Dierick and Hélène Goessaert.

Georges Hübner, who holds a degree in Business Administration and a PhD in Management, is Full Professor in Finance at the HEC Liège, University of Liège and former Associate Professor at the University of Maastricht. Inter alia he was a member of the college of experts appointed by the Parliament following the financial crisis. He has professional experience in accountancy and audit acquired in his activities in education, expertise and Chairmanship of qualifying examination boards for the Certified Auditors Institute (IRE/IBR).

Paul Bodart, holding the degree Civil Engineer in Applied Mathematics and holding the degree of Master of Business Administration, was Professor at the Solvay Business School until the beginning of 2020. He has professional experience in accounting and audit acquired in particular in the tasks he performed as a member of the Audit Committee of the Russian Stock Exchange (Moscow Exchange - MOEX) and in the tasks he performed as a member of the Audit Committee of the National Settlement Depository, Russia's central depository, as Chair of the Audit Committee and a member of the Risk Committee of Dexia and of Dexia Crédit Local and as a member of the Audit Committee of Euroclear Bank. Moreover, he has considerable experience in the banking and finance sectors, in particular the executive functions (more specifically, he was CEO of the Belgian banking subsidiary of the Bank of New York Mellon Group, responsible for group operations in the Euro zone).

Colette Dierick is civil engineer (construction). She has experience in the banking and financial sector, notably through her various functions, including at ING group from 1984 to 2022 in Belgium and Luxemburg.

Hélène Goessaert is agricultural engineer. She has professional experience in the financial sector, and more particularly in the banking sector, notably through her various functions, including at KBC from 1990 to 2022.

Consequently, the Audit Committee has at least one independent director with the individual expertise required in accountancy and/or audit as well as the required collective expertise in the field of banking, accountancy and auditing. A majority of the members of the Audit Committee are independent directors.

3.2. Tasks and remit

The Audit Committee assists the Board of Directors in its task of carrying out prudential controls and exercising general supervision in a broad sense.

3.2.1. Financial reporting

The Audit Committee examined the integrity of the financial information provided by the company, in particular by evaluating the accounting standards used, including the criteria governing the scope of the consolidation. The Audit Committee's supervision also extends to the follow-up of regular financial information before its submission to the Bank's Board of Directors.

The Audit Committee monitors the process of establishing financial information and makes recommendations or proposals to guarantee its integrity.

3.2.2. Internal audit and risk management

At least once a year the Audit Committee examines the efficiency of the internal audit and risk management systems set up by the Management Board to ensure that the main risks (including the risks linked to compliance with current laws and regulations) are properly identified and managed. To that end the Management Board submits a report to the Audit Committee regarding the assessment of internal control.

During 2024, the Audit Committee examined the activities of the Compliance department, the activities of Audit and Control, the activities of the Legal & Tax department, as well as the monitoring activities of the risks (e.g. credit, market, liquidity and operational risks and the risks with regard to the ICT- security).

3.2.3. Functioning of internal audit

The Audit Committee assesses the operational efficiency and independence of the Internal Audit division. The Audit Committee also verifies the extent to which the management responds to the findings of the Audit department and its recommendations. In 2024, the Audit Committee examined and approved the annual business report for 2023, the audit plan 2025, and the half-year business report (H1) for 2024, as well as the half-yearly follow-up reports on the recommendations. The latest version of the Internal Audit Charter was validated in 2024 by the Audit Committee.

3.2.4. Statutory audit

The Audit Committee provides the Board of Directors with information on the results of the legal audit of the (statutory) financial statements and consolidated financial statements as well as explanations as to the manner in which the legal audit of the (statutory) financial statements and consolidated financial statements contributed to the integrity of the financial information and as to the role played by the Audit Committee in that process.

The Audit Committee also monitors the legal audit of the (statutory) financial statements and consolidated financial statements, and this includes monitoring questions asked and recommendations made by the auditor.

In 2024, the Audit Committee reported to the Board of Directors on the (statutory) financial statements and consolidated financial statements of Belfius Bank as at 31 December 2023, 31 March 2024, 30 June 2024 and 30 September 2024. After considering the comments received from the management of the Bank and the external auditors, the Audit Committee delivered a favourable opinion to the Board of Directors on the financial statements.

3.2.5. External audit function and monitoring of auditor's independence

The Audit Committee satisfies itself that the external auditor(s) carries (carry) out his (their) audits properly.

The Audit Committee monitors the independence of the external auditor(s) and his (their) auditing program.

The Audit Committee makes a recommendation to the Board of Directors with regard to the appointment or renewal of the mandate of the auditor.

3.3. Functioning

The Audit Committee may demand to see any useful information or supporting evidence and may carry out any inspection it feels is necessary. To that end it calls on the services of the Internal Audit department of Belfius Bank.

In 2024, the Audit Committee met thirteen times.

The Audit Committee of Belfius Bank operates independently from the Audit Committee implemented at Belfius Insurance. The Audit Committee of Belfius Bank held five joint meetings with the Audit Committee of Belfius Insurance, in particular when the insurance company's annual financial statements for 2023 and the half-yearly financial statements as at 30 June 2024 were presented.

The Audit Committee of Belfius Bank held seven meetings jointly with the Risk Committee, inter alia to examine, the effective management report on the assessment of the internal control report 2023, the report on the risks linked to the use of valuation models, the follow-up of the implementation of the IT-security strategy, as well as the quarterly risk monitoring report.

3.4. Internal Audit

The Internal Audit Charter states the fundamental principles which govern the Internal Audit function at Belfius by describing its mandate, its objectives, its role, its responsibilities, and its overall modes of operation and guarantees its independence. The Audit Charter was approved by the Board of Directors in 2024 and is reviewed at least every three years.

Belfius Bank has an internal audit function that meets the international standards on methodology and reporting.

The internal audit function is an independent and objective activity that provides the organisation with reasonable assurance regarding the extent to which its operations are controlled. As part of its work, the internal audit function provides recommendations for improvements and in doing so creates added value. The head of internal audit reports to the Chair of the Audit Committee.

This means that the internal audit function helps the organisation to achieve its objectives. It does this by assessing the risk management, internal audit processes and governance processes in a systematic and disciplined manner and by making proposals designed to increase efficiency. This is done mainly by carrying out audit assignments and following up on audit recommendations.

The head of internal audit at Belfius Bank is responsible for internal audit at a Group level (Auditor-General). To this end, the head of internal audit at Belfius Insurance has a functional link to the Auditor-General. In this way, the independence of the head of internal audit at Belfius Insurance vis-à-vis his/her governing bodies is combined with the use of uniform audit practices of high quality (audit planning, audit methodology, following up on audit recommendations, and so on) within the Belfius Group.

4. Risk Committee

4.1. Composition

CHAIR	Rudi Vander Vennet(1) Colette Dierick(2)
MEMBERS	Estelle Cantillon
	Rudi Vander Vennet(3)
	Hélène Goessaert(4)
	Georges Hübner

(1) Until 16 May 2024.
(2) From 17 May 2024 onwards.
(3) From 17 May 2024 onwards.
(4) Until 22 January 2025.

4.1.1. General aspects

As at 31 December 2024, the Risk Committee for Belfius Bank consists of the following members: Colette Dierick, Chair, Rudi Vander Vennet, Georges Hübner, Hélène Goessaert and Estelle Cantillon.

Colette Dierick replaced Rudi Vander Vennet as Chair of the Risk Committee on 17 May 2024. Mr. Rudi Vander Vennet remains a member of the Risk Committee.

Hélène Goessaert was member of the Risk Committee until 22 January 2025.

4.1.2. Independence and remit

As at 31 December 2024, the Risk Committee of Belfius Bank consists of four independent directors, namely Colette Dierick, Georges Hübner, Hélène Goessaert and Estelle Cantillon.

The members of the Risk Committee must individually have the knowledge, skills, experience and aptitudes necessary to enable them to understand the Bank's risk strategy and appetite level.

Colette Dierick is civil engineer (construction). She has experience in the banking and financial sector, notably through her various functions, including at ING group from 1984 to 2022 in Belgium and Luxemburg.

Rudi Vander Vennet holds a degree in economics, an advanced master's degree in finance and a PhD in economics and is currently full professor of economics and banking at Ghent University and also teaches banking and insurance at Solvay Business School (ULB). He has experience as a board member at various financial institutions.

Hélène Goessaert is an agricultural engineer. She has professional experience in the financial sector, particularly in the banking sector, including various positions at KBC from 1990 to 2022.

Estelle Cantillon is a professor of economics at the Solvay Brussels School of Economics and Management at ULB, where she leads the Sustainable Development Initiative and teaches environmental economics and sustainability. She was a member of the Council of Regency of the National Bank of Belgium between 2020 and 2023. She has a degree in business engineering and a MPhil in economics from the University of Cambridge and a Ph.D. in economics from Harvard.

Georges Hübner, who holds a degree in Business Administration and a PhD in Management, is Full Professor in Finance at the HEC Liège, University of Liège and former Associate Professor at the University of Maastricht. Inter alia he was a member of the college of experts appointed by Parliament following the financial crisis.

The members of the Risk Committee have the individual expertise and professional experience required to define strategy regarding risk and the level of risk appetite of an institution. They have acquired the specialization necessary in particular as directors with other institutions and/or in their university training. Consequently, the Risk Committee has the required individual knowledge and expertise.

4.2. Remit

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

- appetite and strategy regarding the Bank's current and future risks (including ESG risks), more particularly the effectiveness of the risk management function and the governance structure to support them;
- monitoring the 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 the Bank with its customer tariffs;
- assessing activities which expose the Bank to real risks;
- supervising requirements in terms of capital and liquidity, the capital base and the Bank's liquidity situation;
- guaranteeing that risks are proportional to the Bank's capital;
- formulating an opinion with regard to major transactions and new proposals for strategy activities that have a significant impact on the Bank's risk appetite;
- obtaining information and analyzing management reports as to the extent and nature of the risks faced by the Bank and the conglomerate (e.g. Conglomerate Monitoring);
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan;
- overseeing the alignment between all material financial products and services offered to clients and the business model and risk strategy of the institution;
- reviewing a number of possible scenarios, including stressed scenarios, to assess how the institution's risk profile would react to external and internal events;
- assessing the recommendations of internal and external auditors and follows up on the appropriate implementation of measures taken.

To promote sound remuneration policy and practices, without prejudice to the tasks of the Nomination Committee and the Remuneration Committee, the Risk Committee examines whether incentives in the remuneration system take proper account of the institution’s risk management, equity requirements and liquidity position, as well as the probability and distribution of profit over time. The Risk Committee and the Audit Committee periodically exchange information in particular concerning the quarterly risk report, the senior management report on the assessment of internal control and the risk analyses performed by the Legal, Compliance and Audit Departments. The aim of this exchange of information is to enable the two committees to perform their tasks properly and can take the form of a joint meeting.

4.3. Functioning

The Risk Committee meets at least once per quarter. It also meets on an ad-hoc basis in relation to specific matters.

In 2024, the Risk Committee met fourteen times of which seven joint meetings with the Audit Committee and one joint meeting with the Risk & Underwriting Committee of Belfius Insurance.

The Risk Committee operates independently of the Risk & Underwriting Committee of Belfius Insurance. On the request of the Chair of the Bank’s committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held.

5. Intra-Group Committee

In 2014, the Board of Directors decided to establish a Mediation Committee within the Belfius group. As from April 2023, the Mediation committee evolved in scope and name to the Intra-Croup Committee. The remit of this committee has been adapted (see point 5.2.).

5.1. Composition

CHAIR	Chris Sunt Chair of the Board of Directors of Belfius Bank
MEMBERS	Colette Dierick Olivier Gillerot Independent Directors Belfius Bank
	Jean-Michel Kupper Stéphane Slits Independent Directors Belfius Insurance

The Intra-Group Committee is composed of five members:

- the Chair of the Board of Directors of Belfius Bank, who acts as Chair;
- two Independent Directors of Belfius Bank;
- two Independent Directors of Belfius Insurance.

As at 31 December 2024, the Intra-Group Committee consisted of the following members:

- Chris Sunt, Chair of the Board of Directors of Belfius Bank;
- Colette Dierick and Olivier Gillerot, independent directors of Belfius Bank;
- Jean-Michel Kupper and Stephane Slits, independent directors of Belfius Insurance.

5.2. Remit

The Intra-group Committee's competences comprise the following:

- the monitoring and reporting on significant intra-group transactions;
- the monitoring and reporting on intra-group transactions with an important reputational impact; and

- advising on material conflicts of interest between companies belonging to Belfius Group in the context of which these companies fail to reach an agreement in a relatively short period of time. Such opinions are sent to the Board of Directors of the companies concerned, which will then take a final decision on the planned transaction or operation.

The Intra-Group Committee meets each time it is expedient and useful and at least on a quarterly basis

In 2024, the Intra-group Committee met four times.

6. Technology Committee

In March 2021, the Board of Directors decided to set up a Technology Committee within the Belfius Group.

6.1. Composition

CHAIR	Paul Bodart[1] Olivier Gillerot[2]
MEMBERS	Daniel Falque Olivier Gillerot[3] Peter Hinssen Directors Belfius Bank
	Jean-Michel Kupper[4] Céline Azizieh Bockstael[5] Directors Belfius Insurance

(1) Until 24 April 2024.
(2) From 25 April 2024 onwards.
(3) Until 25 April 2024.
(4) Until 15 May 2024.
(5) From 15 May 2024 onwards.

As at 31 December 2024, the Technology Committee was composed of: Olivier Gillerot (Independent Director of Belfius Bank), Chair, Daniel Falque (Independent Director of Belfius Bank and Belfius Insurance), Peter Hinssen (Independent Director of Belfius Bank), and Céline Azizieh Bockstael (Independent Director of Belfius Insurance).

Paul Bodart was Chair of the Technology Committee until 24 April 2024.

Olivier Gillerot was appointed as Chair of the Technology Committee from 25 April 2024 onwards.

Jean-Michel Kupper was member of the Technology Committee until 15 May 2024.

Céline Azizieh Bockstael was appointed as member of the Technology Committee as from 15 May 2024.

The Technology Committee met seven times in 2024.

6.2. Remit

The Technology Committee, which is responsible for Belfius Bank and its subsidiaries, advises the Board of Directors on its technology strategy and important technology investment decisions. Technology includes inter alia IT, digital and artificial intelligence.

The Technology Committee is responsible for:

- advising the Board of Directors on and propose/recommend the decisions of the Board of Directors with respect to technology strategy and material technology investment choices;
- monitoring, evaluating and advising the Board of Directors on existing and future technology, digital, data and AI trends, regulation and competition / FinTech developments that may affect Belfius' strategic plans including the monitoring of overall industry trends and future trends concerning enterprise data management and the financial industry's use of data to maximize the customer experience value.;
- assessing, measuring and advising the Board of Directors on Belfius' technological strategic milestones and transformational developments, such as customer experience and potential partnerships;

- monitoring and reporting to the Board of Directors on progress made with regard to the implementation of the technology, digital, data and AI decisions taken by the Board of Directors, including but not limited to, technology performance and security. This includes, inter alia, monitoring and challenging of (timing, pace, risk mitigation, hybrid models, talents) IT infrastructure, cloud, foundations and platforms;
- reviewing and discussing reports from management on technology related activities, strategies and metrics, including corporate data project performance, and report to the Board of Directors on same.

Responsibility for the oversight of risks associated with technology, including risk assessment and risk management, remains with the Risk Committee and Audit Committee.

7. Art Council

An Art Council has been established since 2015.

7.1. Composition

CHAIR	Chris Sunt Chair of the Board of Directors of Belfius Bank
MEMBERS	Marc Raisière Chair of the Management Board of Belfius Bank
	Julie Uytterhaegen Head of People, Brand & Communications(1)
	Bénédicte Bouton Head of Culture at Belfius and Curator of the Belfius Art Collection

(1) & ESG from 1 January 2025 onwards.

The Art Council is composed of at least four members including the Chair of the Board of Directors of Belfius Bank, one member of the Management Board of Belfius Bank, the Head of People, Brand & Communications and the curator of the Belfius Art Collection. Additional member(s) may be appointed by the Board of Directors of Belfius Bank.

As at 31 December 2024, the Art Council was composed of:

- Chris Sunt, Chair of the Board of Directors of Belfius Bank;
- Marc Raisière, CEO, Chair of the Management Board of Belfius Bank;
- Julie Uytterhaegen, Head of People, Brand & Communications at Belfius Bank
- Bénédicte Bouton, Head of Culture at Belfius and Curator of the Belfius Art Collection.

The Art Council met six times in 2024.

7.2. Remit

The Art Council has been mandated by the Board of Directors of Belfius Bank to manage the Belfius Art Collection as defined in article 10 of the Articles of Association of Belfius Bank. Within the context of this mandate, the Art Council takes decisions with respect to the management, the conservation, the preservation, the use, the development and the evolution of the Belfius Art Collection.

Internal audit and risk management systems regarding financial statements

Belfius Bank applies various internal audit and risk management systems to its financial statements. These audits are carried out at different levels.

The inventory is reconciled with the balances in ACEC/ACSE via the reconciliation tool ACNR on a daily basis. Unreconciled amounts are reported via the monitoring and matching tool INTELLIMATCH. At the end of each month, the balance sheet and off-balance sheet inventory in the general ledger GEXL is reconciled with the balances in ACEC/ACSE. Unreconciled amounts are reported via an online tool in GEXL. The related accounting Competence Center (back office) is responsible for analysing the nature of the differences and for initiating corrective actions.

The accounts (Belgian GAAP and IFRS) are closed on a monthly basis. A first level of control is performed by the Accounting Competence Centers that take full responsibility for the general ledger (balance, off balance and statement of income) and the inventory. With regard to Financial Markets activities, FM Risk Management is responsible for the validation of the statement of income and the gains and losses not included in the statement of income. The procedures and control activities are documented by each department involved.

Corporate Accounting Control performs a second level of control and ensures a functional steering of the closing process, the centralisation and final validation of all relevant accounting data and disclosures for reporting purposes. A risk-based approach is adopted to determine the nature and extent of the control activities. The controls mainly relate to a variance analysis of balances and ratios, sample-based testing, review of supporting documentation and reasonability controls. The results of the analytical review are documented in a highlight report, which is subject to management review. The procedures and control activities are documented by each department.

The first and second levels of control provide reasonable assurance on the completeness, accuracy and appropriate presentation of the accounting data, in accordance with the financial and prudential framework.

The main subsidiaries of Belfius Bank apply similar internal audit and risk management systems to its financial statements. From October 2017 onwards, the preparation of the financial statements of Belfius Insurance and its subsidiaries have been outsourced to Belfius Bank in order to further align and optimize the processes. The continuity can be guaranteed as also the resources and competences of Belfius Insurance involved in the preparation and internal audit of the financial statements were transferred to Belfius Bank.

External activities of directors – Article 62, §2 of the law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms

As of 31 December 2024, Belfius Bank's directors held 25 directorships in other companies with industrial, commercial or financial activities.

Under the Regulation by the National Bank of Belgium dated 6 December 2011 on the pursuit of external activities by the directors and executives of regulated companies, Belfius Bank is required to disclose any external appointment held by its directors and senior executives. Belfius Bank has chosen to publish such appointments in its annual report filed with the National Bank of Belgium.

Statutory auditor

The mandate of the statutory auditor, KPMG Bedrijfsrevisoren BV/SRL, represented by Olivier Macq, was renewed at the Ordinary General Meeting of Shareholders dated 26 April 2023 for a period of three years. The statutory auditor's mandate will expire at the end of the Ordinary General Meeting of Shareholders of 2026.

The Extraordinary General Meeting of Shareholders dated 19 March 2025, decided to appoint KPMG Bedrijfsrevisoren BV as auditor responsible for the assurance of sustainability information of Belfius Bank for a period of two years (financial years 2024 and 2025) and to appoint Mr. Olivier Macq as the permanent representative of KPMG Bedrijfsrevisoren BV for the duration of the auditor's mandate.

The appointment of Deloitte Bedrijfsrevisoren BV as Statutory Auditor for a period of three years, starting after the Ordinary General Meeting of Shareholders of 2026 and ending after the Ordinary General Meeting of Shareholders of 2029, will be proposed at the Ordinary General Meeting of Shareholders of 2025. Deloitte Bedrijfsrevisoren BV will be represented by Mr. Dirk Vlaminckx and Mr. Franky Wevers.

The table below provides an overview of the fees paid to the current Statutory Auditor for services provided to Belfius Bank, to Belgian companies associated with Belfius Bank and to its foreign subsidiaries during the 2024 financial year.

KPMG	Services provided in 2024				
(in EUR)	Audit of financial statements	Other certifications	Tax advice	Other services	Total
KPMG BEDRIJFSREVISOREN / REVISEURS D'ENTREPRISES	**2,108,085**	**290,308**	**0**	**134,630**	**2,533,022**
Belfius Bank	1,099,200	280,000		55,200	1,434,400
Subsidiaries (bank perimeter)	187,614	5,000		0	192,614
Belfius Insurance and subsidiaries	821,271	5,308		79,430	906,008
OTHER KPMG ENTITIES	**48,893**	**0**	**0**	**347,000**	**395,893**
Belfius Bank				347,000	347,000
Subsidiaries (bank perimeter)	33,005				33,005
Belfius Insurance and subsidiaries	15,888				15,888
TOTAL	**2,156,977**	**290,308**	**0**	**481,630**	**2,928,914**

Christiaan Sunt

Belfius Bank

Chair of the Board of Directors of Belfius Bank NV/SA

Professional experience and directorships

2012 – present	BELFIUS BANK	
	2021 – present	Chair of the board of directors
	2017 – present	Independent Director
	2012 – 2017	Non-Executive Director
2017 – 2021	Belfius Insurance Independent director	
2020 – present	HONORARY ATTORNEY AT LAW	
1980 – 02/2020	ATTORNEY AT LAW, MEMBER OF THE BRUSSELS BAR	
	2001 – 02/2020	FRESHFIELDS BRUCKHAUS DERINGER LLP Attorney at Law – Partner
	1992 – 2001	DE BANDT, VAN HECKE & LAGAE Attorney at Law – Partner
	1980 – 1992	RYCKEN & DE CALLATAY Attorney at Law – Associate and later Partner
2003 – 2012	COURT OF APPEAL OF BRUSSELS Deputy Judge	
1978 – 1982	UNIVERSITEIT GENT Assistant at the Faculty of Law	

Academic background

1980	Master of Laws, Harvard University
1978	Licentiaat in de rechten, Universiteit Gent

Belfius

Marc Raisière

Belfius

Chair of the Management Board of Belfius Bank NV/SA
Non Executive Director of Belfius Insurance NV/SA

Professional experience and directorships

2014 - present BELFIUS BANK
Executive Director
Chair of the Management Board

2012 - present BELFIUS INSURANCE
- **2019 - present** Chair of the Board of Directors
- **2014 - 2018** Non-Executive Director
- **2012 - 2014** Chair of the Management Board and Executive Director

2009 - 2012 AXA FRANCE
Member of the Executive Committee of AXA France
General Manager of AXA France Solutions
General Manager of AXA Private Management
Chairman of the Supervisory Board of AXA Bank France
Director of Neuflize
Director of AXA Bank Europe

2006 - 2009 AXA GROUP
Director Offering, Marketing and Worldwide Distribution

1999 - 2006 AXA BELGIUM
Member of the Executive Committee of AXA
Belgium Member of the Management Board of AXA Bank Belgium

1996 - 1999 FORTIS AG
Technical and Operational Director, Life and IARD

Academic background

2008	Risk Management, IMD Business School – Lausanne
2006	Marketing, INSEAD – Fontainebleau
1987	Licence en sciences actuarielles, UCLouvain
1985	Licence en sciences mathématiques, UCLouvain

Belfius

Olivier Onclin

Belfius

Executive Director - Private, Business & Retail Banking of Belfius Bank NV/SA
Non Executive director of Belfius Insurance NV/SA

Professional experience and directorships

2015 - present	BELFIUS BANK Executive Director Member of the Management Board
2019 - present	BELFIUS INSURANCE Non-Executive Director
2022 - present	EPI Company Non-Executive Director
2015 – 2018	BELFIUS BANK Executive Director Member of the Management Board Chief Operating Officer & Chief Innovation Officer
2013 – 2014	BELFIUS BANK Chief Marketing Officer Public & Wholesale Banking
2009 – 2012	BELFIUS BANK Head of Payments and Accounts Operations
2007– 2009	DEXIA BANK BELGIUM Head of Strategic Group Projects
1997– 2007	EUROCLEAR Senior Vice President Business Harmonisation Vice President Corporate Actions Operations Vice President Settlement Operations Settlement Operations Central and Northern Europe

Academic background

1997	Handelsingenieur, KU Leuven

Belfius

Marianne Collin

Belfius

Chief Risk Officer of Belfius Bank NV/SA
Non Executive director of Belfius Insurance NV/SA

Professional experience and directorships

2017 – present	BELFIUS BANK Executive Director Member of the Management Board
2020 – present	BELFIUS INSURANCE Non-Executive Director
2011 – 2016	NATIONAL BANK OF BELGIUM Senior Expert, Prudential and Financial Stability Department
2008 – 2011	FEDERAL CABINET Advisor
2004 – 2007	NATIONAL BANK BELGIUM Economist, Research department

Academic background

2004	Master of Financial Economics, KU Leuven
2003	Master in Economics, Facultés Universitaires Notre Dame de la Paix, Namur

Camille Gillon

Belfius Bank

Chief Transformation Officer of Belfius Bank NV/SA
Executive Director of Belfius Bank NV/SA

Professional experience and directorships

2024 – present	**Belfius Bank** Executive Director Member of the Management Board	
2024 – present	**Skipr NV/SA** Non-Executive Director	
2017 – 2024	**BELFIUS BANK NV/SA**	
	2023 – present	Chief Transformation Officer Belfius Bank Member of the Management Board of Belfius Bank
	2022 – 2023	Head of Corporate Office CEO Belfius Bank
	2017 – 2021	Head of Human Resources, Building & Facilities Belfius Bank & Belfius Insurance
	2015 – 2017	Head of Organisational Development at HR Belfius Bank
2002 – 2015	**AXA BELGIUM**	
	2014 – 2015	Head of Change Management
	2009 – 2013	Head of Operational Support Commercial lines Insurance
	2008 – 2009	Portfolio Program Manager
	2006 – 2008	Corporate Strategy & Business Affairs – CEO Office
	2002 – 2006	Black Belt then Master Black-Belt
1998 – 2002	**ACCENTURE** Consultant	

Academic background

1998	Maitrise en science de gestion, UCLouvain

Belfius

Dirk Gyselinck

Belfius

Executive Director - Private, Wealth & Retail Banking of Belfius Bank NV/SA

Professional experience and directorships

2014 - present	BELFIUS BANK NV Executive Director Member of the Management Board
2017 - present	TDP Non-Executive Director
2016 - present	BELFIUS IMMO Non-Executive Director
2013 - 2018	BELFIUS BANK NV Executive Director Member of the Management Board Responsible for Public & Corporate Banking, Financial Markets
2006 - 2013	BELFIUS BANK NV Executive Director Member of the Management Board Responsible for Public & Wholesale Banking
2001 - 2006	DEXIA BANK BELGIUM Director Distribution, Retail & Commercial Banking
1997 - 2001	DEXIA BANK BELGIUM Head of Product Management, Public & Wholesale Banking
1990 - 1997	GEMEENTEKREDIET Product Manager, Public & Wholesale Banking

Academic background

1998	Master of Business Administration, KU Leuven
1987	Handelsingenieur, KU Leuven

Bram Somers

Belfius Bank

Chief Technology Officer of Belfius Bank NV/SA

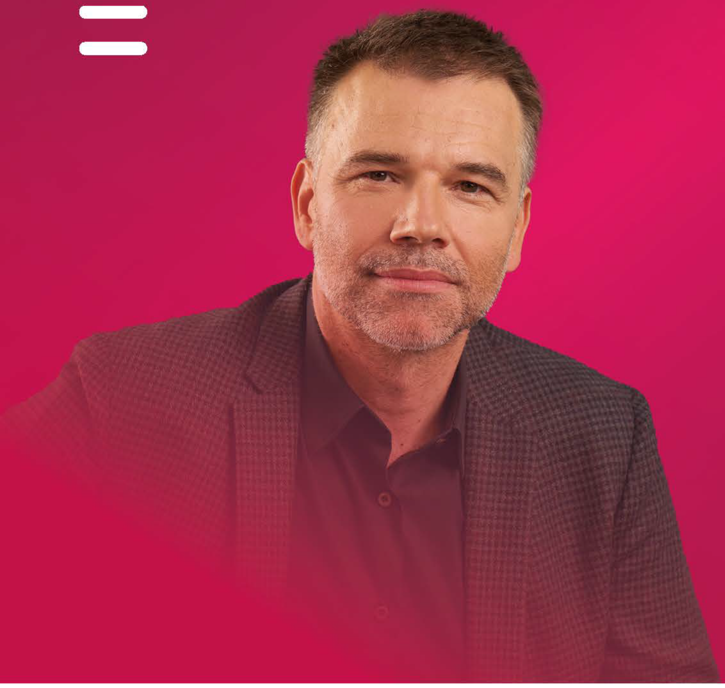
Professional experience and directorships

2023 – present	Belfius Bank Executive Director Member of the Management Board	
2023 – present	Isabel NV Chairman of the Board of Directors Non-Executive Director	
2008 – present	Belfius Bank	
	2022 – heden	Chief Technology Officer
	2020 – 2021	Head of Corporate Office CEO Belfius Bank Head of Core Banking Renewal (2020)
	2015 – 2020	Head of IT Strategy & Architecture
	2014 – 2015	Head of IT Mobile Banking
	2012 – 2014	Project Manager IT Mobile Banking
	2008 – 2012	IT Functional Analyst

Academic background

2008	Burgerlijk Ingenieur (computerwetenschappen) - UGent

Belfius



Johan Vankelecom

Belfius

Chief Financial Officer of Belfius Bank NV/SA
Vice-chair of the Board of Directors of Belfius Insurance NV/SA
Chair of the Board of Directors of Belfius Asset Management NV/SA

Professional experience and directorships

2011 – present	BELFIUS BANK Executive Director Member of the Management Board	
2011 – present	BELFIUS INSURANCE Non-Executive Director	
2020 – present	BELFIUS ASSET MANAGEMENT Non-Executive Director	
2021 – present	IMMOVLAN Non-Executive director Chair of the Board of Directors	
2001 – 2011	DEXIA GROUP	
	2009 – 2011	Deputy to the Chief Financial Officer
	2007 – 2009	Head of Capital Management
	2001 – 2007	Mergers and Acquisitions
1994 – 2000	DEXIA BANK BELGIUM	
	1998 – 2000	Head of Segment Marketing, Public and Wholesale Banking
	1994 – 1998	Treasury, IR Derivatives, Proprietary Trading

Academic background

2005	Post-graduaat Corporate Finance, KU Leuven
1994	Burgerlijk Ingenieur (energietechnieken), KU Leuven

Belfius

Paul Bodart

Belfius Bank

Independent Director

Professional experience and directorships

April 2020 – July 2022	HELLENIC FINANCIAL STABILITY FUND Non-executive member of the General Council
1999 – June 2020	LA COMPAGNIE DES SEPT BONNIERS Chairman of the Board of Directors Managing Director (until March 2020)
2019 – March 2022	PJSC MOSCOW EXCHANGE MICEX-RTS Independent Director
2014 – March 2022	RUSSIAN NATIONAL SETTLEMENT DEPOSITORY (Russian NSD) Director
2013 – 2019	SOLVAY BUSINESS SCHOOL Professor in the Post-Master in Financial Markets program
2013 – 2016	DEXIA CREDIT LOCAL Independent Director, Chairman of the Audit Committee, Member of the Risk Committee and Member of the Remuneration Committee
2012 – 2015	ECB (European Central Bank) Member of TARGET2-Securities (T2S) committee
1996 – 2012	THE BANK OF NEW YORK MELLON 2009 – 2012 CEO and Executive Director of the Group's Belgian bank subsidiary, member of the EMEA Executive Committee 1996 – 2009 Managing Director and Chairman of the Management Board of the Group's Brussels subsidiary, Promoted to Executive Vice President in 2003

Belfius

1987 – 1995	MORGAN GUARANTY TRUST Co OF NY	
	1995	Head of Global Custody and Operations in Brussels
	1992 – 1995	Held various positions at Morgan Guaranty Trust Co of NY (in New York)
	1988 – 1992	Euroclear Operations Centre (Brussels) - Head of Network Management
	1987 – 1988	Euroclear Operations Centre (Brussels) - Operations Manager
1976 – 1986	EUROPEAN BANK FOR LATIN AMERICA	
	1981 – 1986	a subsidiary of the General Bank: head of the Technology and Organisation department, deputy General Manager
	1977 – 1981	Brazilian subsidiary: head of the Technology and Organisation department
	1976 – 1977	Belgian head office: engineer

Academic background

1987	Maîtrise en administration des affaires, INSEAD – Fontainebleau
1976	Civil Engineer, Université Catholique de Louvain (UCL)

Estelle Cantillon

Belfius Bank

Independent Director of Belfius Bank NV/SA

Professional experience and directorships

2020 – present	BELFIUS BANK Independant Director
2004 – present	FONDS DE LA RECHERCHE SCIENTIFIQUE (FNRS) Researcher (research director since 2014) Université Libre de Bruxelles Professor of Economics
2022 – present	TAPIO SRL Independent Director
2016 – present	TOULOUSE SCHOOL OF ECONOMICS Associate Researcher
2011 – present	RETHINKING BELGIUM Member of the Steering Committee
2000 – present	CENTRE FOR ECONOMIC POLICY RESEARCH Fellow
2008 – 2023	OXERA CONSULTING LLP Member of the Economics Council
2020 – 2023	NATIONAL BANK BELGIUM Member of the Board of Regents 2020 – 2022 Member of the Audit Committee
2017 – 2022	BRUSSELS INSTITUTE FOR STATISTICS AND ANALYSIS Deputy Chair of the Scientific Council
2021	IMPERIAL COLLEGE (LONDON) Visiting Researcher
2010 – 2021	EUROPEAN ECONOMIC ASSOCIATION 2016 – 2018 Member of the Audit Committee 2016 – 2021 Member of the Women in Economics Committee 2014 – 2016 Member of the Executive Committee 2011 – 2014 Member of the Standing Committee on Research (Chair 2017 – 2020) 2010 – 2016 Council Member

2017 – 2020	KU LEUVEN Visiting Professor
2016 – 2020	THE ECONOMIC JOURNAL Joint Managing Editor
2008 – 2020	RAND JOURNAL OF ECONOMICS Associate Editor
2015 – 2019	WZB BERLIN SOCIAL SCIENCES CENTRE Member of the Advisory Board
2010 – 2019	MATCHING IN PRACTICE (RESEARCH NETWORK) Co-founder and Member of the Executive Committee
2014 – 2015	HARVARD KENNEDY SCHOOL OF GOVERNMENT Visiting Professor of Public Policy
2011 – 2014	EUROPEAN ASSOCIATION FOR RESEARCH IN INDUSTRIAL ECONOMICS Member of the Executive Committee
2011 – 2013	BELGIAN OBSERVATORY FOR ENERGY Member of the Scientific Committee
2001 – 2006	HARVARD BUSINESS SCHOOL Assistant Professor
2000 – 2001	YALE UNIVERSITY Post-Doctoral Fellow

Academic background

2000	Ph.D. in Philosophy - Harvard University
1995	Master in Philosophy - Cambridge university
1994	Ingénieur commercial - ULB, ULB (Solvay Brussels School of Economics and Management)

Colette Dierick

Belfius Bank

Independent Director of Belfius Bank NV/SA

Professional experience and directorships

2023 – present	BELFIUS BANK Independent Director
2017 – present	ERASTYS BV Executive Director
2022 – present	XIOR NV Executive Director Chair of the Audit & Risk Committee Member of the Nomination & Remuneration Committee
2021 – 2023	NEXTENSA NV Independent Director
2017 – 2023	PATRONALE LIFE NV AND PATRONALE GROUP NV Independent Director Member of the Audit & Risk Committee Member of the Nomination & Remuneration Committee
2016 – 2022	ING LUXEMBOURG NV CEO and Managing Director LUXEMBOURG ASSOCIATION OF BANKS AND BANKERS VZW Non-executive director ING LEASE LUXEMBOURG NV Chair of the Board of Directors ING LUXEMBOURG PENSION FUND VZW Chair of the Board of Directors BOURSE DE LUXEMBOURG NV Non-Executive Director

Belfius

Daniel Falque

Belfius

Independent Director of Belfius Bank NV/SA
Independent Director of Belfius Insurance NV/SA

Professional experience and directorships

2023 – present	**BELFIUS BANK** Independent Director
2022 – present	**BELFIUS INSURANCE** Independent Director
2012 – 2021	**KBC GROUP** Member of the Board of Directors CEO - KBC Bank & Insurance, BU Belgium (+ Western Europe, USA, Asia) Chairman of the Board of Directors - CBC Banque SA
2009 – 2012	**CBC BANQUE SA** CEO
2004 – 2009	**DEUTSCHE BANK GROUP (FRANKFURT)** Head of Corporate & Transactional Banking (Europe, Russia & Middle East)
1991 – 2004	**DEUTSCHE BANK AG (BELGIUM)** Head of Corporate Banking (Managing Director) Head of Large Caps & Coordination Centers (Director) Corporate Relationship Manager Credit Analyst
1989 – 1991	**DE VADERLANDSCHE NV** Sales manager – insurance

Academic background

1989	Master in International & Public Affairs - UCLouvain
1984	Allemand / Néerlandais - UCLouvain

Belfius

Olivier Gillerot

Belfius Bank

Independent Director of Belfius Bank NV/SA

Professional experience and directorships

2023 – present	BELFIUS BANK Independent Director
2024 – present	BLAUWTRUSTGROEP BV Non-Executive Director
2023 – present	FONDATION BERNHEIM Board Member
2019 – present	GILLEROT BV Executive Board Member
2015 – present	MOBILESCHOOL VZW Board Member
2019 – 2023	BAIN & COMPANY INC. Senior Partner
1997 - 2019	ACCENTURE NV 2015 – 2019: CEO Accenture Financial Services for France and Benelux 2011 – 2015 : CEO Accenture Belgium and Luxembourg 2008 – 2015: Managing Director – Financial Services (Benelux) 2001 – 2008: Managing Director – Financial Services (Belux) 1997 – 2001: Career from Consultant to Senior Manager
1992 – 1997	THE DOW CHEMICAL COMPANY NV Interne auditor
1989 - 1992	ANDERSEN CONSULTING NV Consultant

Academic background

1998	Advanced Business Management Program – Kellogg School of Management - Northwestern University (Evanston, Illinois)
1989	Ingénieur commercial - ULB (Solvay Brussels School of Economics and Management)

Belfius

Hélène Goessaert

Belfius Bank

Independent Director of Belfius Bank NV/SA

Professional experience and directorships

2023 – present BELFIUS BANK
Independant Director

1990 – 2022 KBC GROUP

2018 – 2022	Chief Risk Officer (Prague)
2015 – 2018	Chief Data Manager
2010 – 2013	Member of the Board of Directors
2010 – 2011	Chief Risk Officer Merchant Banking
2007 – 2010	General Manager of the Trading Risk Management and Modelling department
2002 – 2007	Market Risk Manager
1999 – 2002	Risk Manager
1996 – 1999	Equity Option Trader
1993 – 1996	Capital Markets Division
1990 – 1993	Corporate Finance Division

2018 – 2022 HYPOTEČNÍ BANKA & STAVEBNÍ SPOŘITELNA & ČSOB GROUP
Executive Director

2012 – 2013 KBC CREDIT INVESTMENTS NV
Executive Director

2011 – 2013 KBC FINANCIAL PRODUCTS UK
CEO

2011 – 2013 KBC FINANCE IRELAND
President of the Board of Directors

Academic background

1990	Financiële wetenschappen, Vlerick Business School
1988	Landbouwingenieur, Universiteit Gent

Belfius

Peter Hinssen

Belfius Bank

Independent Director of Belfius Bank NV/SA

Professional experience and directorships

2021 – present	Belfius Bank Independent Director
2014 – present	NEXXWORKS Founder Non-executive Director (via Newton Engineering) until October 2022
2017 – present	APHEON CAPITAL Advisor
2017 – present	Mediahuis Independent Director (via Newton Engineering)
2010 – present	LONDON BUSINESS SCHOOL Lecturer
2002 – present	Andromeda (VZW) Director
2017 – 2023	MASSACHUSETTS INSTITUTE OF TECHNOLOGY CENTER FOR INFORMATION SYSTEMS RESEARCH Research fellow
2000 – 2010	PORTHUS Founder and Chairman
1999 – 2002	STREAMCASE Founder
1995 – 2000	E-COM / ALCATEL E-COM Founder and CEO
1993 – 1995	ALCATEL TELECOM Research Engineer

Academic background

1993	Burgerlijk ingenieur (electronica - telecommunicatie) - Universiteit Gent

Belfius

Georges Hübner

Belfius

Independent Director of Belfius Bank NV/SA
Non-Executive Director of Belfius Asset Management NV/SA

Professional experience and directorships

2015 – present	BELFIUS BANK Independent Director	
2021 – present	BELFIUS ASSET MANAGEMENT Non-Executive Director	
2022 – present	MOURY CONSTRUCT SA Independent Director and Chair of the Audit Committee	
2021 – present	CERN PENSION FUND Member of the Investment Committee (since May 13th, 2021)	
2016 – present	BIRDEE Member of the Investment Committee	
2016 – present	FINECTIVE Non-executive director and member of the Investment Committee	
1997 – present	UNIVERSITY OF LIÈGE (HEC)	
	2007 - present	Full Professor
	2005 - 2015	Member of the HEC Liège Board
	2005 - 2007	Professor
	1997 - 2005	Associate Professor
1997 – 2018	UNIVERSITY OF MAASTRICHT	
	2003 - 2018	Part-time Associate Professor
	1997 - 2003	Part-Time Assistant Professor
2007 – 2016	GAMBIT FINANCIAL SOLUTIONS	
	2007 - 2016	Director
	2009 - 2016	Scientific Officer
	2007 - 2009	Founder and Chief Executive Officer

Academic background

1997 Ph.D. in Management - Finance orientation, INSEAD - Fontainebleau
1995 MSc in Management - Finance orientation, INSEAD - Fontainebleau
1992 Bachelor in Business Administration - Finance orientation, Université de Liège

Belfius

Isabel Neumann

Belfius Bank

Independent of Belfius Bank NV/SA

Professional experience and directorships

2021 – present	BELFIUS BANK Independant Director
2021 – present	SHURGARD SELF-STORAGE Chief Investment Officer
2019 – present	KING'S COLLEGE LONDON Independant Director, Member of the Finance Committee
2003 – 2019	BANK OF AMERICA MERRILL LYNCH Managing Director, Global Corporate and Investment Banking EMEA
2000 – 2001	STARLAB Business Development Manager
1998 - 2000	ARTHUR ANDERSEN BUSINESS CONSULTING Senior Consultant

Academic background

2003	Master of Business Administration (MBA) University of Chicago GSB Booth, Fulbright Scholar
1998	Handelsingenieur, KU Leuven

Belfius

Lutgart Van den Berghe

Belfius Bank

Non-Executive Director of Belfius Bank NV/SA

Professional experience and directorships

2012 – present	BELFIUS BANK	
	2022 – present	Non-Executive Director
	2012 – 2022	Independent Director
2021 – 2024	BELFIUS INSURANCE	
	Independent Director	
2003 – present	FAEDON NV/SA	
	Chair of the Board of Directors	
1996 – 2019	GUBERNA (BELGIAN INSTITUTE FOR DIRECTORS)	
	Executive Director	
1974 – 2016	UNIVERSITEIT GENT	
	1997 - 2016	Part-time Professor in Corporate Governancer
	1981 - 1984	Assistant Professor, Toegepaste economische wetenschappen
	1974 - 1977	Scientific Researcher
1994 – 2010	VLERICK BUSINESS SCHOOL	
	1994-2010	Partner, Part-time Professor in Corporate Governance
	1994-2010	Director of the Centre of Competence “Ondernemerschap, Bestuur en Strategie”
1989 – 2000	ERASMUS UNIVERSITEIT ROTTERDAM	
	Part-time Professor	
1988 – 1992	UNIVERSITEIT ANTWERPEN	
	Professor Risk Management en Verzekeringen	

Belfius

1985 – 1992	VLEKHO Professor Risk Management en Verzekeringen
1981 – 1988	HOGER INSTITUUT VOOR BESTUURS- EN HANDELSWETENSCHAPPEN Professor
1988 – 1992	Universiteit Antwerpen Professor Risk Management en Verzekeringen
1977 – 1981	National Fund for Scientific Research Researcher

Academic background

1981	Doctor in de economische wetenschappen, Universiteit Gent
1974	Licentiaat in de economische wetenschappen, Universiteit Gent

Rudi Vander Vennet

Belfius Bank

Non-Executive Director of Belfius Bank NV/SA
Independent Director of Belfius Insurance NV/SA

Professional experience and directorships

2015 – present	BELFIUS BANK **2022 - present** Non-Executive Director **2015 - 2022** Independent Director
2015 – present	BELFIUS INSURANCE Independent Director
2017 – present	RVV Director
2013 – present	VOORUIT NR. 1 Director
1994 – present	UNIVERSITEIT GENT Head of the Department of Financial Economics Full Professor Senior Lecturer Lecturer
2012 – 2021	SOLVAY BUSINESS SCHOOL Lecturer
1988 – 1992	NATIONAL FUND FOR SCIENTIFIC RESEARCH Researcher

Academic background

1994	Doctor in de economische wetenschappen, Universiteit Gent
1993	Graduate Fellow of the Belgian American Educational Foundation, W.E. Simon Graduate School of Business Administration, University of Rochester - New York
1988	Speciale licentie in Financiën, Universiteit Gent
1987	Licentiaat in de Economie, Universiteit Gent

Belfius

GENERAL INFORMATION

Share capital and allocation of profit of Belfius Bank

1. Share capital and evolution of the capital during the financial year 2024

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.

In accordance with the provisions of the law, the Extraordinary General Meeting of Shareholders of 24 April 2024, authorized the Board of Directors to increase the share capital of the Bank in one or more stages with a maximum of 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). That authorization is valid for five years from publication of the resolution of the Extraordinary General Meeting of Shareholders in the Appendices to the Belgian Official Gazette.

No change was made to the share capital of the Bank in 2024.

2. Allocation of profit

The company results for the financial year 2024 recorded a profit of EUR 800,316,516.27. After deduction of the tax-free reserves for an amount of EUR 274,208.89, the profit to be appropriated for the financial year amounts to EUR 800,590,725.16.

From this profit, an amount of EUR 356,054,703.16 will be allocated to reserves.

3. Annual dividend

The Board of Directors of 20 March 2025, has proposed to the General Assembly of 30 April 2025 an ordinary dividend of EUR 444.5 million in respect of the accounting year 2024.

Amendment of the articles of association

The Extraordinary General Meeting of Shareholders of 24 April 2024 amended the articles of association of Belfius Bank in order, among other things, to authorize the Board of Directors to increase the share capital within the framework of the authorized capital procedure (see point 1).

The Extraordinary General Meeting of Shareholders of 19 March 2025 amended the articles of association of Belfius Bank in order to amend Article 7.4 of the articles of association of Belfius Bank (regarding the co-optation of Directors) to bring it into conformity with Article 5:71 of the Companies and Associations Code.

The main changes to the scope of Belfius Bank at a non-consolidated level

In 2024, Belfius continued to invest in various fields in order to strengthen its positioning and strategy by adapting the scope of its non-consolidated holdings:

- in the field of health insurance, Belfius Bank took part in the capital increase of Alan, alongside existing investors and a number of leading French and international entrepreneurs. With this transaction, Belfius not only becomes a shareholder of the European health pioneer allied with the strength of artificial intelligence, but also completes its insurance offering towards its E&E-clients with an innovative solution to improve their employment benefits' offering;
- in the field of AI, Belfius Bank took part in the funding round of Mistral AI, one of Europe's leading AI and Technology flagships. By investing in Mistral AI, Belfius commits to support the growth and development of this innovative start-up, whose generative AI models are already considered among the best in the world. This investment is a stepping stone and fits into Belfius' general objective of developing AI solutions for its customers and employees;
- in the field of the energy sector, Belfius Bank took part in the capital increase of Vlaamse Energieholding (VEH). VEH is a Belgian holding company active in the energy sector. It is owned by municipalities, regional intermunicipal holdings and financial institutions. VEH participates, through its subsidiaries, in the Belgian transmission system operators Fluxys and Elia, in renewable energy projects and in the circular economy. This investment illustrates Belfius' continued commitment to its PSB-clients and the realization of their ESG ambitions;
- in the field of payments, Belfius Bank took part in the capital increase of The European Payments Initiative (EPI). EPI is an initiative backed by 16 European banks and financial services companies to progressively build Wero, a payment solution tailored for Europe. This investment showcases Belfius' commitment to offer future-proof payments solutions in Belgium;
- in the management and provision of cash to its customers, Belfius Bank took part in the capital increase of Batopin. Batopin (Belgian ATM OPtimization INitiative) is a joint project by Belfius Bank, BNP Paribas Fortis, KBC and ING, which aims to roll out a high-performance network of automated teller machines in Belgium. The initiative revolves around security and efficiency, as well as financial and social inclusion.

Belfius also divested several participations, including:

- the sale of its equity stake in Cyclis Bike Lease (a bicycle leasing company which is committed to providing reliable, quality service based on a personal approach) as part of Belfius' redefined mobility offering;
- the sale of its equity stake in Partners Through Innovation (a company dedicated to providing IT infrastructure and data centre services) which is driven by Belfius' objective to reinsource knowledge and experts for Belfius' technology operations;
- the liquidation of Dexia Secured Funding Belgium (a company operating in securitisation to improve liquidity within Belfius Bank).

Material Litigation

Belfius (Belfius Bank and its consolidated subsidiaries) is involved as a party in a number of litigations in Belgium, arising in the ordinary course of its business activities, including those where it is acting as an insurer, capital and credit provider, employer, investor and taxpayer.

Belfius recognises provisions for such litigations when, in the opinion of its management taking into account all available elements, including an analysis by its company lawyers and external legal advisors as the case may be,

- a present obligation has arisen as a result of past events;
- it is probable that Belfius will have to make a payment; and
- the amount of such payment can be estimated reliably.

With respect to certain other litigations against Belfius, of which management is aware, no provision has been made according to the principles outlined here above, as the management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending litigations, such litigations are without legal merit, can be successfully defended, or that the outcome of these actions is not expected to result in a significant loss.

In the opinion of Belfius, the most important cases are listed below, regardless of whether a provision has been made or not. Their description does not deal with elements or evolutions that do not have an impact on the position of Belfius. If the cases listed below were to be successful for the opposite parties, they could eventually result in monetary consequences for Belfius. For litigations for which no provision has been made, such impact remains unquantifiable at this stage.

1. Arco - Cooperative shareholders

Various parties, including Belfius Bank, have been summoned by Arco - Cooperative shareholders in three separate procedures, i.e.:

- A procedure before the Dutch speaking Commercial Court of Brussels (Procedure C.C. Deminor)
- A procedure before the Court of First Instance of Brussels (Procedure C.F.I. ArcoClaim 2018)
- A procedure before the Court of First Instance of Brussels (Procedure C.F.I. Deminor 2022)

1. Procedure C.C. Deminor

On 30 September 2014, 737 shareholders from 3 companies of the Arco Group (Arcopar, Arcoplus and Arcofin) initiated (with support of Deminor) proceedings against the Arco entities and Belfius Bank before the Dutch speaking Commercial Court of Brussels (the “Deminor Proceedings”). On 19 December 2014, 1,027 additional shareholders of the Arco entities joined in the Deminor Proceedings. On 15 January 2016, 405 additional shareholders of the Arco entities joined the Deminor Proceedings, resulting in a total of 2,169 plaintiffs. On 16 November 2020, a further “Deminor” procedure was initiated, in which all plaintiffs except one joined, to anticipate a possible nullity of the original summons. The content of the two proceedings is identical. As a result, they are treated together.

The plaintiffs have requested that the Brussels Court rules, among other things:

- in first order, that the agreements by virtue of which they became shareholders of the relevant Arco entities are null and void as a consequence of an alleged defect in consent;
- that the defendants should therefore, in solidum, reimburse the plaintiffs for their financial contribution in these entities plus interest;
- in the alternative, a compensation is asked to Belfius Bank for an alleged violation of the information duty; and
- that the defendants are liable for certain additional damages to the plaintiffs.

The historical financial contribution of the 2,169 plaintiffs to the Arco Group entities, for which reimbursement is claimed, amounted to approximately EUR 6.5 million (principal amount). The plaintiffs’ claims in the Deminor Proceedings are based on allegations of fraud and/or error on the part of the Arco entities and Belfius Bank. In the alternative, the plaintiffs have argued that Belfius Bank breached its general duty of care as a normal and prudent banker. In relation to Belfius Bank, the plaintiffs have referred to certain letters and brochures allegedly containing misleading information issued by the predecessors of Belfius Bank. The Belgian State, DRS Belgium (Deminor) and the Chairman of the Management Board of the Arco entities are also defendants in the proceedings before the Commercial Court of Brussels. In the meantime, the VZW Arcoclaim also intervened in this litigation procedure (on grounds of an alleged transfer of claim by one of the plaintiffs/Arco shareholders). The case has been pleaded during several pleading sessions in June 2021. In its decision announced on 3 November 2021, the Dutch-speaking Commercial Court of Brussels rejected all the claims of the Arco shareholders.

The Arco shareholders have launched appeal against this judgement. The case is now pending before the Court of Appeal in Brussels. A pleading calendar has been determined. A pleading hearing is currently expected at the earliest in the second half of 2028.

2. Procedure C.F.I. ArcoClaim 2018

On 7 February 2018, 2 Arco shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State has made a fault by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco shareholders) which has been considered illicit state aid by the European Commission. These 2 plaintiffs also summoned Belfius Bank on 8 February 2018 to intervene in this procedure and claim compensation from Belfius Bank because they consider that Belfius Bank erred in the sale of the Arco shares. Groups of Arco shareholders organized themselves via social media to mobilize other Arco shareholders to become claimant in this procedure. The VZW Arcoclaim also intervenes in this litigation procedure.

In this procedure VZW Arcoclaim had requested the initiation of a mediation procedure before the court, but this request has been dropped in May 2023. In the meantime, to date, ArcoClaim has declared that 7.258 Arco shareholders have joined ArcoClaim, in addition to 5.334 Arco shareholders already being part of ArcoClaim.

No pleading calendar has been fixed yet.

3. Procedure C.F.I. Deminor 2022

On 14 December 2022, 10 Arco shareholders have launched a new judicial procedure with the assistance of Deminor against the Arco-companies, the Belgian State and Belfius before the Court of First Instance in Brussels, in which they ask the defending parties to be condemned to indemnification based on extra-contractual liability, equal to claimant's financial contribution including interests, dividends, and possible bonus reserves, as well as a supplementary indemnification for moral damages. In the meanwhile, to date, a total of 13.678 Arco shareholders have joined this procedure. ArcoClaim vzw also joined the procedure for one of its members.

On a hearing held on 21 March 2024, parties agreed on a procedural calendar that will first focus on the admissibility of the claims. A relay hearing is expected to be held on 10 December 2027.

No provision has been booked for these claims.

2. Investigations into Panama Papers

These paragraphs are mentioned for completeness only, although the matters below do not comprise a litigation. On 5 December 2017, a police search under the lead of an examining magistrate of Brussels (onderzoeksrechter/juge d'instruction) took place at Belfius Bank's head office in the framework of the Belgian "Panama Papers" Parliamentary Commission. The 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 Internationale à 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.

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

On 12 November 2020, public prosecution has been initiated, a.o. against Belfius Bank, for its alleged role in potential fraudulent activities that would have been conducted with the assistance of a director of an independent bank agency of Belfius Bank in violation of several (banking) regulations. After consultation of the criminal file, Belfius continues to believe that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit.

No provision has been booked for this case.

Declaration of transparency

Transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

Pursuant to Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (referred to below as the "Transparency Directive") and to Directive 2007/14/ EC of 8 March 2007 laying down detailed rules for the implementation of certain provisions of the Transparency Directive, Belfius Bank has chosen Luxembourg as its Home Member State.

The Transparency Directive has been transposed into Luxembourg law by:

- the Luxembourg law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market;

- the Grand Ducal Regulation of 3 July 2008 on the official appointment of mechanisms for the central storage of regulated information within the meaning of the law of 11 January 2008; and
- the CSSF Circular No. 08/337 from the Financial Sector Supervisory Commission.

The aforementioned regulation lays down certain requirements regarding information and the publication of data.

Pursuant to article 3.(2) of the Luxembourg law relative to transparency requirements incumbent upon the issuers of securities, the Management Board at Belfius Bank states that:

- Belfius Bank has chosen Luxembourg as its Home Member State;
- to the best of its knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and the profit or loss of the issuer and of all the undertakings included in the consolidation;
- to the best of its knowledge, the management report includes a fair review of the development and performance of the business and the position of the issuer and all the undertakings included in the consolidation, together with a description of the principal risks and uncertainties that they face.

Country-by-country reporting

Based on Article 6bis of the Royal Decree dated 23 September 1992, regarding the consolidated financial statements of financial institutions, Belfius discloses the following information on a consolidated basis, split country by country, in which Belfius has an establishment (Branch and or subsidiary).

Country	Activity	31/12/23			
		Turnover[1] (in thousands of EUR)	Average FTE[2]	Net Income before tax (in thousands of EUR)	Tax (expense) income (in thousands of EUR)
BELGIUM	BANK & INSURANCE	3,080,039	6,460	1,454,162	-373,571
MEMBER STATE					
Luxembourg	Other financial services and insurance activities	14,488	5	9,173	-2,607
Ireland	Other financial services and insurance activities	34,938	6	20,465	-282
France	Other financial services and insurance activities	11,423	0	8,856	594
TOTAL		3,140,888	6,471	1,492,656	-375,865

Country	Activity	31/12/24			
		Turnover[1] (in thousands of EUR)	Average FTE[2]	Net Income before tax (in thousands of EUR)	Tax (expense) income (in thousands of EUR)
BELGIUM	BANK & INSURANCE	3,175,469	6,757	1,442,492	-382,212
MEMBER STATE					
Luxembourg	Other financial services and insurance activities	18,998	5	18,074	-3,697
Ireland	Other financial services and insurance activities	48,737	5	39,039	1,201
France	Other financial services and insurance activities	16,085	0	13,419	677
TOTAL		3,259,288	6,767	1,513,024	-384,032

(1) Based on “Income” from the Consolidated statement of income in the Annual report.
(2) Disclosed in the Annual report in the note “7.10 Staff expense”.

SUSTAINABILITY STATEMENT

Content

1. General Information

The 2024 Belfius Sustainability Statement is designed to present the Belfius Group ("Belfius") strategy, business model, governance, risks and opportunities, performance and future outlook with regard to sustainable development. This statement is an integrated part of the 2024 annual report and aims to expose the nexus between sustainability matters and their impact on Belfius´ activity, governance as well as management decisions during the same year.

Belfius started a complete materiality assessment in 2023 that was continued in 2024 in order to ensure compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Financial Reporting Advisory Group's (EFRAG) European Sustainability Reporting Standards (ESRS). The full application of the "double materiality" approach is described in section 1.6. "Material impacts, risks and opportunities: Double Materiality Assessment" and covers the Impacts, Risks and Opportunities (IRO) that extend across Belfius' upstream and downstream value chain. In defining the materiality, no information corresponding to intellectual property, know-how or the results of innovation has been omitted from the sustainability statement.

1.1. Basis for preparation

The sustainability statement of Belfius has been prepared on a consolidated basis in accordance with the CSRD, transposed into the Belgian Code for Companies and Associations on 28 November 2024 ("the CSRD Law"), and with the Taxonomy Regulation 2020/852/EU and the related Disclosure Delegated Act 2021/2178/EU. The consolidated sustainability statement of Belfius has been prepared using the same consolidation scope as the consolidated financial statements of Belfius.

Belfius Insurance is exempted to publish a consolidated CSRD report pursuant to Article 19a and 29a of Directive 2013/34/EU since Belfius Insurance and its subsidiaries are included in the consolidated sustainability statement of Belfius Bank.

The sustainability statement of Belfius covers material impacts, risks and opportunities of Environmental, Social and Governance (ESG) topics through direct and indirect business relationships in the upstream and downstream value chain, as well as its own operations, based on the double materiality assessment performed. More detailed information is included in section 1.6. "Material impacts, risks and opportunities: Double Materiality Assessment".

1.2. Preliminary notes

1.2.1. Time horizon

Material impacts, risks and opportunities are assessed over the short, medium and long term. Belfius has applied the time horizons as follows:

- for the short-term time horizon: 1 year, i.e. the period adopted as the reporting period in the financial statements;
- for the medium-term time horizon: from 1 year up to 5 years; and
- for the long-term time horizon: more than 5 years.

In the case of deviations from the time-horizons as described above, this is disclosed in the relevant disclosures.

1.2.2. Main estimates and proxies

In this sustainability statement, metrics are used that are based on certain estimates, averages or assumptions. The main estimations and proxies relate to the calculation of greenhouse gas (GHG) emissions (see section 2.2.) and the estimations with respect to climate risk (see section 2.3.). The underlying data for these calculations either comes directly from clients or is sourced from external data vendors. Sector averages are used if no specific counterparty information is available. For certain metrics, such as the financed emissions, several data sources are combined. The data is subject to continuous improvement. Assumptions, approximations and expert judgements are properly governed and disclosed within the relevant chapter of this report.

1.2.3. Datapoints included by Reference

The sustainability statement includes following information by reference:

ESRS	Disclosure Requirement	Section	Content
GOV-1	The relevant experience of the members of the administrative, management and supervisory bodies in relation to the sector and products of Belfius.	Management report: Corporate Governance	CVs of the members of the Board of Directors and Management Board

1.2.4. Transition relief
ESRS provides transitional provisions to ease the implementation. Following transitional relief provisions have been used:

- Entity-specific disclosures: not all identified material impacts, risks and opportunities are currently covered by an ESRS standard. Awaiting the sector-specific disclosure standards, Belfius has included qualitative information and quantitative metrics cfr Directive 2023/2772/EU - ESRS 1.

- Value chain information: currently limited information of downstream and upstream value chain is available. As information becomes more readily available and reliable, disclosures in upcoming years will increase in accuracy and completeness. Where relevant, the disclosures throughout these statements will indicate the limitations of the available data as well as the efforts in obtaining the information undertaken by Belfius.

- Comparative information: Comparative figures are included in this sustainability statement in case the related figures were reported in the 2023 Sustainability Report and when there has been no change in methodology compared to previous year. For all other figures included in the sustainability statement of 2024, no comparative figures are disclosed. This year, the data quality of the GHG emission reporting has been improved, resulting in a restatement of previous year's figures, for more information see section 2.

- Phased-in disclosures: Belfius has applied phase-in on the following disclosures:

    - E1-9 Climate change: anticipated financial effects of climate change

    - S1-7 Own workforce: metrics related to non-employees

    - S1-12 Own workforce: metrics related to persons with disabilities

1.2.5. Risk management and internal controls over sustainability reporting
According to the reporting process, the Finance department centralizes the construction of the sustainability statement with disclosure requirements allocated to different internal responsible parties.

Qualitative information, such as strategy, policies and procedures, and general descriptions are prepared based on existing documentation. Environmental quantitative information is prepared based on methodologies prepared by the ESG Central team (for example, emissions or taxonomy disclosures), and calculated starting from information databases used for financial reporting, enriched with sustainability information (see section 2.). Key methodologies have been subject to second-line review by Risk, and internal controls are in place to ensure completeness, accuracy and appropriate presentation. The procedures and control activities are in place within each department. The Finance Department is responsible for the coordination, aggregation of information into a coherent sustainability statement, and the compliance check with respect to the requirements of ESRS. Third-line reviews by internal audit have been carried out during 2024 covering carbon accounting and Climate Risk Assessments with results reported to the Audit Committee of Belfius Bank.

These are the main risks, identified within the sustainability reporting process and the mitigation strategies adopted.

- Inconsistencies with financial reporting: The quantitative information is prepared starting from the information and databases used for financial reporting to ensure consistency. In addition, the Finance department performs controls to ensure consistency with financial reporting.

- Lack of automation: Not all information is prepared in an automated manner, giving rise to risk of manual errors. Additional controls have been introduced to mitigate this, including standardized data collection, detailed instructions, four-eyes controls, enhanced logical and analytical controls.

- Lack of data availability and data quality: the lack of data quality from counterparties and clients results in inherent limitations. Proxies and estimations have been designed and used to bridge the information gap. Key methodologies, proxies and estimations have been subject to second line review and appropriate governance. Disclosure of these limitations have been included in the relevant chapter.

- Risk of greenwashing: disclosures and statements included in this report have been prepared by the responsible department based on existing policies, procedures and processes to mitigate the risk of greenwashing.

- Regulatory evolutions: implementation guidance and interpretation (FAQ) of the ESRS standards are still being developed by EFRAG. The CSRD implementation project team is monitoring evolutions within the market to understand and implement where possible the evolving framework and is part of the Assuralia and Febelfin workgroups to discuss implementation issues within the Belgian Financial sector.

Nonetheless, the different levels of controls and mitigating actions provide assurance on the completeness, accuracy and appropriate presentation of the sustainable data, in accordance with the ESRS framework. Belfius aims to gradually increase the robustness of its sustainability reporting in upcoming years.

1.3. Business model and strategy

Belfius is a Belgian banking and insurance group wholly owned by the Belgian federal state through the Federal Holding and Investment Company (FHIC). Belfius Bank is the parent company of the Belfius Group. It is licensed as a credit institution in accordance with Belgian Banking Law. All of its major commercial subsidiaries operate in the Belgian market, except for some very specific activities, for which entities are maintained in Luxembourg and Ireland:

- Luxembourg: Belfius Financing Company SA issues securities to external investors. For technical and operational reasons, it has been decided that these issuances take place in Luxembourg. Belfius Insurance Finance SA manages a portfolio of shares and bonds.

- Ireland: Belfius Ireland controls a historical long-term bond portfolio, this portfolio is currently in run-off.

On 31 December 2024, Belfius Group counted 7,198 employees.

	31 December 2024			
Headcount	Belgium	Luxembourg	Ireland	Total
Total number of employees	7,185	8	5	7,198

1.3.1. Integrated business model

Belfius' integrated business model is designed to generate and capitalize on synergies across its distinct client segments in all strata of society, as well as its wide range of products and services in which it is active:

- Belfius finances individuals, including private and wealth clients. As a bank-insurer, Belfius helps customers to protect and develop their assets through cross-selling along the whole product range, such as payments, savings and investments, mortgages and consumer finance and non-life and life insurances.

- Belfius serves the public and social sector (PSB), such as local and federal authorities, intermunicipal companies, hospitals, care homes, social housings and education centres. Belfius offers a wide and integrated range of products and services including, but not limited to, credit lending, treasury management and financial markets products.

- Belfius equally provides financing and insurance to entrepreneurs and enterprise (E&E) clients ranging from the self-employed, liberal professions and small companies, to local corporates and medium- and large-sized companies. Belfius seeks to support them throughout their entire lifecycle with a comprehensive package of products and services: loans and leasing, transaction banking, financial market products, pension insurance.

With the exception of some actors that cannot meet Belfius' Transition Acceleration Policy (see section 2.4.) and a historic underrepresentation in agriculture Belfius' portfolio mostly reflects Belgium's activity sectors.

Belfius is active in the sector of Credit Institution, Insurance and Capital Markets. These sectors have not been identified as climate intensive by ESRS.

1.3.2. Strategy

Belfius' underlying strategy has been stable for the past decade: to be a digital leading, integrated bank-insurer, present in all segments of the Belgian economy and society that is committed to customer satisfaction and the creation of societal value with robust risk and financial management. This is further reinforced in Belfius' Inspire 2025 strategy.

Belfius' purpose is "Belfius, meaningful and inspiring for Belgian society. Together".

Belfius puts the customer at the heart of everything it does. As a universal, integrated bank-insurer, it brings differentiated value propositions to each customer segment, whilst leveraging synergies across those customer segments and product offerings, while also expanding into Asset Management and Financial Markets.

As a Bank-insurer, Belfius helps customers to protect and develop their assets, through cross-selling along the whole product range: payments, non-maturing savings, mortgages and consumer finance, non-life and life insurances, investments (such as maturing deposits, mutual funds or structured notes) and insurance-investments. Leveraging digital and data capabilities, Belfius also branches out to a beyond banking and insurance offering, simplifying its customers' lives and reinforcing its core business.

- In the Individuals segment, Belfius focuses on an innovative mix of digital and human through own channels and strategic partnerships, with continued support for the most vulnerable in society (e.g. via social accounts, services for the elderly/less digitally aware, etc.).

- For the Private and Wealth Management segments, Belfius has chosen a membership approach where customers consciously choose to opt in. Belfius will continue to grow its franchise in these segments, inter alia by its strong position in meaningful investment solutions.

- Within the E&E and PSB segment, Belfius continues to support the Belgian economy, providing an integrated approach for all E&E and remaining a leader in the public sector, where its roots lie. Next to a wide range of classic products meeting all basic financial needs as effectively as possible (such as credits and transaction banking), Belfius leverages its in-depth client and market understanding and data and digital capabilities to meet the business and private needs of E&E and PSB clients. Belfius can also protect businesses, using a range of non-life and life insurance products. Belfius has strong ambitions towards enterprises, from businesses (self-employed, liberal professions and small and medium-sized enterprises with a turnover up to EUR 10 million), through local corporate entities (SME with a turnover between EUR 10 and EUR 25 million) and corporate banking. Belfius serves these varied customers throughout their life cycle with a full product suite, catering to both professional and personal needs. The Business segment is mainly served by Belfius' local branches, while its Corporate Banking segment is served by corporate bankers. Local Corporates are served by both its local branches and corporate bankers. The PSB segment brings together federal authorities, Regions, Communities, and local authorities, (municipalities, provinces, police & fire zones, CPAS / OCMW, inter-municipal companies, government corporations), It also includes hospitals, care homes, social housing, schools (from primary education to universities), professional associations and labour unions, institutions for health insurance and general non-profit organisations active in the field of labour, health, education and the social and cultural sector. This segment is served by Belfius' network of dedicated relationship managers. Some customers may also (or only) be served in branches so as to offer increased flexibility and more appropriate service.

Belfius is committed to disciplined, robust and balanced risk and financial management, targeting further revenue growth and diversification, operational efficiency, a sound risk profile and a strong balance sheet with solid liquidity and solvency position. Belfius believes that these objectives are the best guarantors for a future-proof business model, solid operating profit expansion and long-term added value for Belfius' customers and the Belgian society as a whole.

To Belfius, all three components of sustainability (E,S &G) are equally important.

Sustainability is woven into Belfius' 2020-2025 "Inspire" strategy and is articulated around two guiding principles: "Walk the talk" and "Customers in the driver's seat".

- Walk the talk: doing what we say in the area of sustainable business and aiming for maximum positive contribution in everything we do.

- Customers in the driver's seat: we put our customers in the driving seat of their sustainability ambition and support them with an adapted range of products and services.

Within this 2025 “Inspire” strategy, Belfius decided in 2021 to focus on 6 commitments, on which is reported one last time as the 2030 Strategy is being defined:

	2023	2024	Target 2025
Reducing the footprint of own operations [1]	Achieved	Achieved	
% decrease of carbon footprint (tons of CO2e) of Belfius' internal operations	-31%	-48%	-25%
Opting for 100% renewable electricity			
% of electricity consumption from renewable sources for own operations	95%	96%	100%
Supporting Belgian society through Belgian charities			
Cumulative support to Belgian good causes since 2015 (in millions of EUR)	37	45	50
Giving women every opportunity and guaranteeing equal pay [2]			
% of women in management position	40.9%	43.5%	44%
Going for a 100% meaningful investment offer			
% of production in investments in scope (SFDR art 8 & 9) [3]	92%	96%	100%
Giving priority to future-proof infrastructure for Belgian society		Achieved	
Cumulative loan production in meaningful infrastructure projects since 2020 (in billions of EUR)	5.2	7.1	5.8

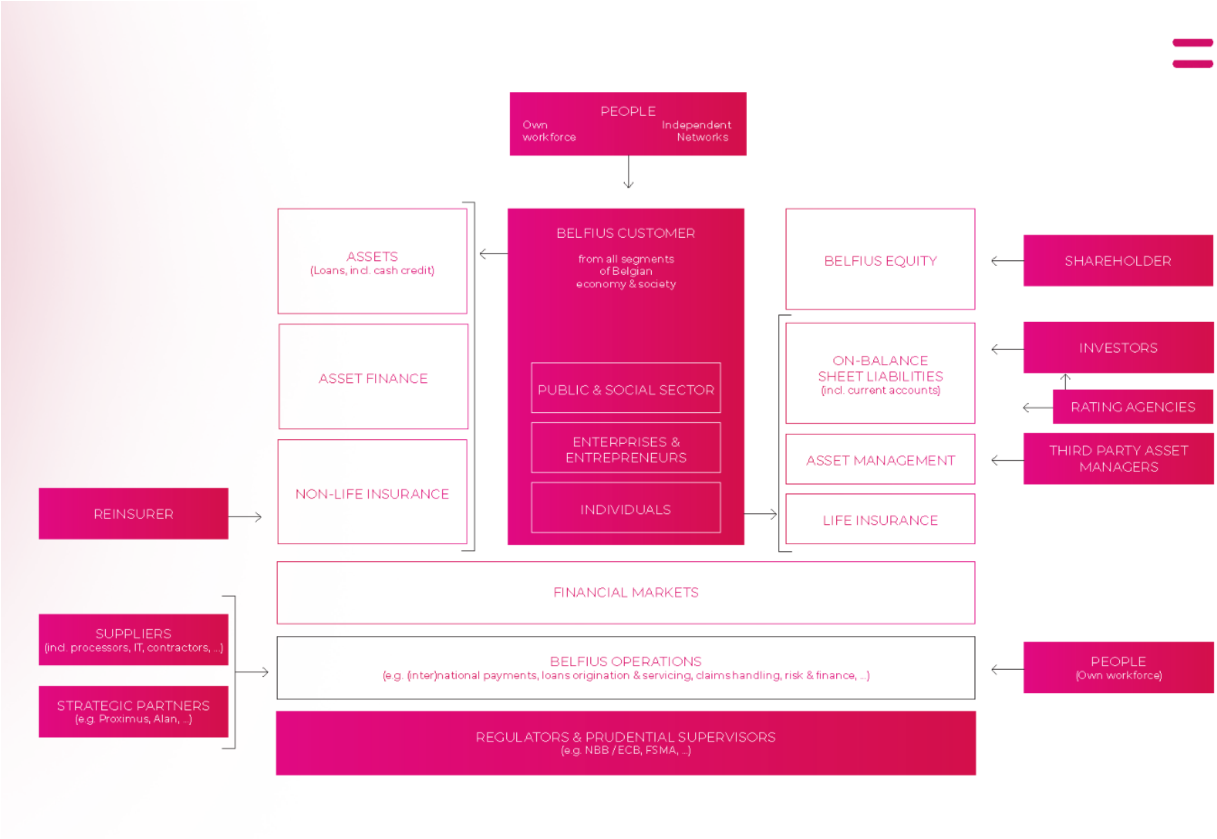
[1] The scope of this target is Scope 1 and Scope 3 (Category 1 Purchased goods & services: paper & water; Category 4 Upstream transportation & distribution; Category 5 Waste; Category 6 Business travel and Category 7 Employee commuting) compared with the baseline of 2019. Considering the target has been reached in 2023, Belfius has continued its mission by setting-up new targets (see section 2.2.2.1.)
[2] We refer to section 3.1.1.
[3] Scope limited to mutual funds, specific funds offered exclusively to private membership customers, pension funds and Unit-Linked insurance.

Belfius conducts a comprehensive strategic review approximately every five years and is currently defining its strategy for 2030. Between these reviews, the strategy is implemented and, when necessary, refined through specific strategic sessions by the Board of Directors, which include progress assessments and adjustments based on changing contexts.

1.4. Value chain and Stakeholder engagement

The Belfius Group is firmly embedded in all segments of the Belgian economy and society, ranging from individual customers to small businesses, larger corporates and the public and social sector. As such, Belfius is continuously re-investing its customers’ cash and savings to support local projects of individuals (loans to households), the self-employed, SME’s and large companies and governmental authorities.

The value chain of the Group consists of both direct relationships (such as suppliers, capital providers, customers etc.), and indirect relationships (which include the value chains of suppliers, customers etc.).



Dialogue with stakeholders allows Belfius to understand their expectations regarding Belfius' environmental and social impact, as well as to inform them about Belfius' sustainability strategy, objectives and risk management. Therefore, Belfius regularly consults and engages with its external stakeholders. These include customers, regulators and prudential supervisors, employees and their representatives, independent networks, strategic partners and suppliers, shareholder, investors and rating agencies, but also civil society and sectorial organizations and (supra)national sustainability organizations. Engagement with internal stakeholders on material sustainability matters typically involves the Belfius Group Central ESG team, the ESG Risk team, Human Resources, key business representatives and Executive Management. Interactions with stakeholders take place on a regular basis through different channels, depending on the nature of Belfius' relationship with the stakeholder in question.

The following table discloses how Belfius engages with its key stakeholders, the purpose of those engagements and their outcome. The views of stakeholders inform our due diligence process and the materiality assessment.

Stakeholder	How does Belfius enter into dialogue	Purpose and main topics of conversation with stakeholders
Customers (D)	• Bank and insurance offices (physical channel) • Digital channels (websites, mobile app) • Belfius Connect - remote financial services (telephone, mail, chat) • Customer satisfaction surveys • Complaints management process	• Customer needs, financial & digital skills • Access to financial services, fairness • Suggestions and complaints from customers • Product transparency
Government regulators and supervisors	• A systematic follow-up of regulatory initiatives that have an impact on the financial sector • Periodic consultation with regulators/ supervisors (NBB, FSMA, ECB, EIOPA)	• Compliance with regulations, supervisory requests and statutory obligations • Proper financial and non-financial reporting
Employees and their representatives (O)	• An annual engagement barometer - a survey that invites employees to make their voices heard on the internal operation of the company • Representation in social bodies and linked subcommittees and a network of union representatives • Live information webinars given by top and senior management with Q&A • Monthly “Zoom” intranet articles, sharing best practices, people’s and departments’ work and achievements • A permanent feedback culture between employees and managers • A network for psycho-social help	• Belfius working conditions and new ways of organising work to create a more open and sustainable organisation • Fair and competitive remuneration • Diversity and Inclusion approach • Welfare, physical and mental health of employees • Training and education • Transparency around strategy, policy and results
Independent Networks (O)	• Consultation platform with representatives of dynamic local independent network Belfius franchise • Consultation platform with representatives of dynamic local independent network DVV franchise	• Transparency around strategy, policy (compliance, risk, …) and commercial performance • Remuneration model of the independent network
Shareholders	• Periodic consultation and operational contacts with the Federal Holding and Investment Company (SFPI-FPIM)	• Transparency around company performance, risk management and results • Ad hoc information for answering external questions
Ratings agencies, analysts and investors, press (financial)	• Press conferences regarding the bank’s results with associated investor calls • Active engagement with rating agencies • Day-to-day questions and answers via the bank’s press spokesperson	• Transparency around how the business is conducted, proper financial and non-financial communication
Strategic partners (U)	• Regular contact with commercial and non-commercial partners in the field of philanthropy • Regular contact with partners around Belfius’ commercial offer in mobility and energy solutions	• The selection of social themes and challenges where Belfius, can have the greatest positive impact

Suppliers (U)	• Contracting at inception of supplier relationship and further interactions with business and procurement during contract's life • Invite suppliers to take ESG sustainability assessment by third party EcoVadis • Organize ESG training sessions for suppliers	• Quality of expected delivery • Respect of Code of Conduct for Suppliers • Embed ESG criteria in sourcing process • Raise awareness and knowledge around Belfius' expectations on supplier ESG performance
Reinsurance, liability insurance (U)	• Selection of reinsurers that are most relevant based on their scope of activities (long tail vs short tail, life vs non-life), financial strength, location, reinsurance conditions and compliance with regulatory framework	• Exchange of information on Belfius' risk and claims profiles, underwriting and claims management guidelines, financial data, development strategy, including ESG consideration. This information is used to fix the best reinsurance terms and conditions, to recover claims and to exchange financial statements
Counterparties within asset management (U)	• Engagement by Belfius AM and Belfius Insurance with third party asset managers and companies • Annual reporting on engagement and proxy voting by Belfius AM and Belfius Insurance	• Exchange of views on ESG issues • Implementation of Belfius' TAP policy in third party funds • ESG performance of investees and possible improvement measures • Involvement in controversies and remediation measures by investees
Social and civil society organisations, NGOs, Nature	• Dialogue with various organisations and NGOs and cooperation with their surveys and assessments • Collaborative sessions and peer learning within sustainable development network (e.g. The Shift)	• Interactions on sectors and activities financed by Belfius, Belfius' products offer and Belfius investment policies • Sharing and gathering knowledge
Sector federations, employer organisations	• Membership and representation in financial and economic federations (Febelfin, Assuralia, BVK, BLV-ABL, BVB-ABB, BEAMA, ICMA), employer organisations	• Sharing knowledge with sector federations • Putting social responsibility into practice
Supranational sustainability-linked organisations to which Belfius has subscribed: UNGC, UNEP FI PRB, PSI, PRI and PCAF	• Periodic reports to the UN Global Compact (UNGC) on progress as an early adopter through the enhanced Communication on Progress (CoP) • Impact analysis and annual reports on progress to the UNEP FI Principles for Responsible banking (PRB), as required • Annual reports on progress to the UNEP FI Principles for Sustainable Insurance (PSI), as required • Annual reports on progress to the UN Principles for Responsible Investment (PRI), as required • Dialogue with the Partnership for Carbon Accounting Financials (PCAF) on upcoming disclosures of financed GHG emissions	• 10 UNGC principles relating to human rights, labour, the environment and anti-corruption • 6 UNEP FI PRB principles relating to governance, alignment of business with SDGs and the Paris Agreement, impactful target setting, transparency and accountability and building & sharing ESG expertise • 4 UNEP FI PSI principles relating to embedding ESG in decision-making, raising awareness, collaboration with stakeholders to promote accountability and transparency • 6 UN PRI principles relating to incorporating ESG issues into decision-making processes and ownership policies & practices, promoting the principles within the investment industry and reporting on progress towards implementation • Measuring and disclosing investment portfolio GHG emissions in a harmonised manner

Local sustainability linked organisations	• Regular meetings of the peer-learning network of the Belgian Institute for Sustainable IT (ISIT-BE)	• Reducing the environmental and social footprint of Belfius' IT services and usages; promoting digital technologies and services that are more sustainable, inclusive and ethical
	• Participation in the Women in Finance initiative – signatory to the Women in Finance Diversity Charter • Annual reports on progress for the Financial Sector Diversity Charter • Signatory to the Open@Work initiative	• Measuring and rebalancing gender differences at every level of the company • Connecting people from the LGBTQIA+ community within Belfius

(U): Upstream value chain; (O): Own operations; (D): Downstream value chain

Amongst them, the voice of the customer, whether it be an individual, entrepreneur, company or actor of the public or social sector, is most crucial and goes hand in hand with Belfius' customer centric ambition as a core value of the Belfius culture.

To deliver its resulting customer value propositions, Belfius operates within the limits set by the prudential and regulatory framework. As Belfius' workforce is the backbone of its strategy to deliver innovative solutions and strong customer relationships, employee engagement and welfare is a constant attention point (see section 3.1.5.). Belfius also values its dynamic local independent networks for both Belfius and DVV franchises.

In keeping with Belfius' strategic business plan approach, customer feedback on accessibility resulted in an intermediary recalibration of the distribution strategy in 2024, with extended opening hours in branches, upstaffing in Belfius Connect (Belfius' contact centre) and further investment in Belfius' chatbot.

Quarterly Risk and Risk Appetite Framework reports, Quarterly Business Reviews, HR reports and monthly "Actualia" inform the Management Board and the Board of directors on key stakeholder activity.

Overall, Belfius is currently in the process of defining its strategy towards 2030, taking into account material risks, opportunities and impacts as well as the learnings in the field of sustainability which accumulated since the legislative wave of the Green Deal, the publication of the ECB's Guide on climate-related and environmental risks and Belfius' voluntary commitment to UNGC as well as UNEP FI PRB, PSI and PRI.

1.5. Integration of sustainability matters into corporate governance

In line with their duties as defined by law, Belfius Bank's Board of Directors and Management Board are the respective supervisory and management bodies on ESG.

Belfius Bank's Board of Directors defines and oversees the implementation of the strategy, objectives (mainly through the financial planning process and business review reporting), general policies including business conduct, risk appetite and risk approach at the proposal or recommendation of the Management Board or the Joint Management Committee (JMC). This includes ESG.

Every year, the Board of Directors of Belfius Bank sets the Risk Appetite Framework (RAF) upon the proposal of the Belfius Bank Risk Committee. With the growing importance of ESG and climate risks in particular, the annual RAF review tends to integrate an increasing number of qualitative and quantitative ESG indicators every year. The RAF is defined and validated Group-wide by Belfius and is cascaded down to subsidiaries based on the RAF at a Group level.

The Belfius Bank Risk Committee maintains advisory powers and responsibilities towards the Belfius Bank Board of Directors for the setting of current and future risk appetite and strategy (including those relating to ESG and, more particularly, climate risk), as well as the monitoring of their implementation (through the Quarterly Risk Review and the Quarterly RAF Report which are discussed each quarter).

The Belfius Bank Audit Committee assists the Board of Directors in its task of carrying out controls. It is responsible for the internal control and the integrity of the annual report (containing the financial and non-financial reporting). All material IROs have been reviewed and validated by the Belfius Bank Audit Committee.

The Belfius Bank Management Board is responsible for the effective management of Belfius, 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. It ensures that the business activities are in line with the strategy, risk management, and general policy and business conduct guidelines set by the Board of Directors.

All members of the Board of Directors and Management Board of Belfius Bank passed the fit & proper assessment as required by the NBB and ECB. This assessment puts additional focus on amongst others governance, internal controls and business conduct. The NBB pays particular attention on the collective suitability concerning information technology and security, environmental and climate risk, money laundering and terrorist financing.

The Nomination Committee of Belfius Bank will also ensure, based on a competence matrix, that the Belfius Bank Board of Directors has sufficient competencies to realize the strategy and deal with future challenges. All Directors are scored on a competence grid, including business conduct and ESG competences. New Directors are onboarded with a training program that includes ESG awareness.

Various Independent members of the Board of Directors of Belfius Bank developed some expertise in climate, environmental and / or social topics through practice and / or additional training. However, Estelle Cantillon was specifically appointed to considerably contribute to the expansion of the expertise of the Belfius Bank Board of Directors in the field of ESG as she combines strong academic background as Professor in Economics with extensive knowledge in climate and environmental aspects related to banks and financial institutions.

Additionally, in February 2024, a 2 day seminar on ESG topics was organised for the Board of Directors of both Belfius Bank and Insurance with guest speakers.

The terms of reference of the Belfius Bank Board of Directors, the Risk Committee, the Management Board and Joint Management Committee already explicitly integrate ESG responsibilities in strategy and Climate and Environmental risks. Though it is self-evident that Belfius' governance bodies pick up the duties assigned to them by law, whether on ESG or other topics, the aforementioned terms of reference are further being reviewed to include the notion of Impact and Opportunity. As of 2025, the terms of reference of the Belfius Bank Audit Committee will also make an explicit reference to the CSRD.

On the management level, Belfius' Joint Management Committee, composed of all Management Board members of Belfius Bank and Belfius Insurance, manages group strategic matters, including ESG strategy and its implementation. It is responsible for the implementation of mandatory ESG regulations and voluntary ESG commitments. Belfius is still in the process of defining its Strategy towards 2030, which will integrate sustainability. In the meantime, some ESG targets were set of which some were included in the variable remuneration (see further).

Further down the organization, the Joint Management Committee relies on expert teams and desks, amongst others:

- The ESG Central team, that reports to the CEO of Belfius Bank. As Belfius' competence centre on ESG it tackles ESG strategy (including opportunities) and ESG impacts.

- The ESG Risk Competence Centre that reports to the Chief Risk Officer of Belfius Bank. It is in charge of developing a comprehensive ESG risk management framework in collaboration with other group-wide risk departments along the 'three lines of defence' model.

- The ESG technical methodology desk oversees key methodological choices in ESG (on carbon accounting and carbon reduction target and EU Taxonomy).

- The ESG Models Steering Committee oversees the development of ESG risk assessment and quantification methodologies and tools and integration of ESG risk drivers in models.

The Board of Directors and Management Board of Belfius Bank, including the relevant committees, are informed about material impacts, risks, and opportunities. The table below shows a selection of the topics that were discussed, in addition to the recurrent reporting flows on performance, risks (e.g. security, technology, data privacy, ...), business conduct and compliance (including Anti-Money Laundering, MiFID and Market abuse monitoring) and actions undertaken: Quarterly Financial results, Quarterly Business Reviews, Quarterly Technology Review and HR reports as well as the Quarterly Risk and RAF Reports and the half-yearly Compliance Reports. Additionally, at each meeting of the Board of Directors of Belfius Bank, the noteworthy events of the past period are highlighted (Actualia). For more information on the regular independent reports on risk and compliance sent to the Boards of Directors of Belfius Bank, see Belfius' risk report (chapter II.2.4).

Sustainability matter	Management Board Belfius Bank	Board of Directors Belfius Bank
Own climate footprint	• Carbon reduction targets for Belfius' own operations	• Carbon reduction targets for Belfius' own operations
Own Workforce	• Employee satisfaction and Engagement Survey • Belfius leadership model: Dare, Care, Make it happen	• Employee satisfaction and Engagement Survey • Belfius leadership model: Dare, Care, Make it happen
Information security & data protection	• IT security roadmap 2024 – 2025 • ECB cyber resilience stress test • AI regulation and Belfius AI Roadmap	• IT security roadmap 2024 – 2025 • ECB cyber resilience stress test • AI regulation and Belfius AI Roadmap
Customer Transparency	• Action plan to improve accessibility of Belfius for individuals and business clients • Complaints reports 2023 • Customer satisfaction	• Action plan to improve accessibility of Belfius for individuals and business clients • Customer satisfaction
Innovation & digitalisation	• Health Insurance offer for professional clients with Alan • Status on action plan to further improve The Belfius Mobile App • Future of payments with respect to infrastructure, payment schemes and European legislation • Participation to the capital of Mistral	• Health Insurance offer for professional clients with Alan • Status on action plan to further improve The Belfius Mobile App • Participation to the capital of Mistral
Financial Inclusion	• Participation to the capital increase Batopin to improve coverage of ATM-network in Belgium • Action plan to fight against fraud (including sector-wide initiatives)	• Participation to the capital increase Batopin to improve coverage of ATM-network in Belgium • Action plan to fight against fraud (including sector-wide initiatives)
Community involvement	• Launch of Belfius Be=Loved Bond, a 1-year bond with societal impact	• Launch of Belfius Be=Loved Bond, a 1-year bond with societal impact
Corporate Governance & Business Conduct	• Update of Anti Money Laundering Policy and roadmap • Adaptation Belfius ESG Action Plan for the ECB • Introduction of Banker's oath	• Governance memorandum per 30/06/24 • Introduction of Banker's oath
Resilience	• ECB cyber resilience stress test • Credit portfolio stress tests (Commercial Real Estate) • Update Recovery Plan • Business Continuity Resolution dry run	• ECB cyber resilience stress test • Commercial real estate portfolio stress test • Update Recovery Plan • Business Continuity Resolution dry run
Meaningful Financing	• Green Asset Ratio • Withdrawal from SBTi • Status energy-efficiency solution for public and social clients • Review of Transition Acceleration Policy on defense	• Green Asset Ratio • Withdrawal from SBTi • Review of Transition Acceleration Policy on defense
Meaningful Investing	• Review of Transition Acceleration Policy on defense	• Review of Transition Acceleration Policy on defense

Composition

As at 31 December 2024, the Board of Directors of Belfius Bank was composed in line with the provisions of Article 7:86 in conjunction with article 7:106 of the Companies and Associations Code which states a minimum of one-third representation of the other sex on the Board of Directors. For the application hereof, the required minimum number of members of the underrepresented sex will be rounded off to the nearest whole number.

Belfius does not include representation of its employees and other workers within its administrative, management, and supervisory bodies.

		2023	2024
Board of Directors	Number of members	18	17
	Ratio men/women	66.7% / 33.3%	58.8% / 41.2%
	Ratio Independent directors	55.6%	52.9%
	Main degree qualifications (one member may have more than one degree)	Economics / Business Administration / Finance / Law / Engineering / Mathematics / Actuarial Sciences	Economics / Business Administration / Finance / Law / Engineering / Mathematics Actuarial Sciences / International and Public Affairs
	Ratio executive/non-executive members	33.3% / 66.7%	35.3% / 64.7%
Management Board	Number of members	6	6
	Ratio men/women	83.3% / 16.7%	66.7% / 33.3%
	Main degree qualifications (one member may have more than one degree)	Engineering / Economics / Business Administration / Finance / Mathematics / Actuarial Sciences	Engineering / Economics / Business Administration / Mathematics / Actuarial Sciences

On 31 December 2024 the Board of Directors consisted of seventeen members, six of whom are members of the Management Board. For more information on Belfius' Directors, please refer to the section Corporate Governance in the Management Report.

Variable remuneration

Belfius Bank encourages the adoption of Belfius' sustainability values by its senior and key executives through their annual variable remuneration. The variable remuneration approach is approved by the Board of Directors, following the advice of the remuneration committee. ESG indicators determine 9.8% of the performance score of the variable remuneration in 2024 for all key and senior executives.

In 2024, the social indicators were the share of women in management (target 42.5%), Belfius' employee engagement (target 86%) and customer satisfaction (target 48.2% top 1 – very satisfied customers). A custom-built target to reduce Belfius' carbon emissions from own operations in line with the Paris Agreement trajectories represents the environmental pillar (target of -5.3%). This custom-built target includes CO_2 emissions reductions of scope 1, 2 and part of scope 3 (not financed emission for example) where Belfius has immediate concrete actionable levers to improve performance. The part of variable remuneration linked to climate related considerations is 1.2%. Finally, the timely delivery on recommendations of internal and external auditors, regulators and compliance (target 90% of recommendations (audit, regulator, compliance) timely closed; 85% for Chief Risk Officer) covers the governance side of ESG.

Depending on the business line and function type, specific ESG objectives can also be added, which encourages further support for ESG considerations in decision-making.

Statement on due diligence

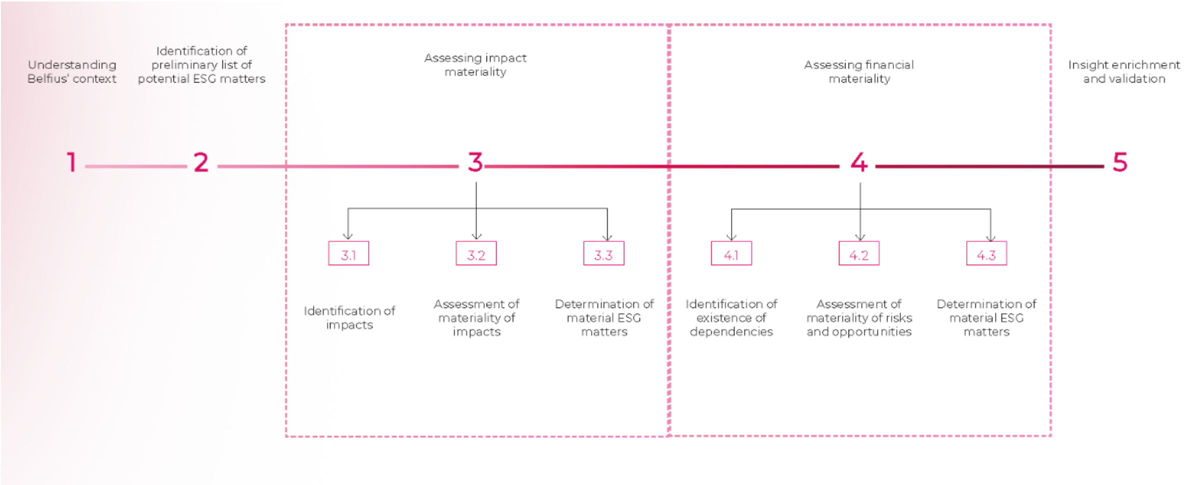
The following table provides reference of the disclosures with respect to the core elements of due diligence.

CORE ELEMENTS OF DUE DILIGENCE	SECTION IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	
ESRS 2	
GOV-2 and GOV-3	1.5. Integration of sustainability matters into corporate governance
SBM-3 E1	2.3. Climate and environmental risks
SBM-3 S1	3.1. Own workforce
SBM-3 S2	3.2. Workers in the value chain
SBM-3 S3	3.4. Community involvement
SBM-3 S4	3.3. Consumers & end-users
Engaging with affected stakeholders	
ESRS 2	
SBM-2	1.4. Value chain and Stakeholder engagement
IRO-1	1.6.1. Process to Identify material Impacts, risks and opportunities
Identifying and assessing adverse impacts	
ESRS 2	
IRO-1	1.6.1. Process to Identify material Impacts, risks and opportunities
SBM-3	1.6.2. Results on Material Impacts, Risks and opportunities
SBM-3 E1	2.3. Climate and environmental risks
SBM-3 S1	3.1. Own workforce
SBM-3 S2	3.2. Workers in the value chain
SBM-3 S3	3.4. Community involvement
SBM-3 S4	3.3. Consumers & end-users
Taking actions to address those adverse impacts	
E1-3	2.2.2. Operational emissions
MDR-A	2.4. Integration of ESG into business activities
S1-4	3.1.2. Health & Well-being
S2-4	3.2. Workers in the value chain
S3-4	3.4. Community involvement
S4-4	3.3. Consumers & end-users
Tracking the effectiveness of these efforts and communicating	
S1-9, S1-11 and S1-15	3.1.4. Diversity and Inclusion
MDR-M and MDR-T	2.4. Integration of ESG into business activities
S1-10, S1-14 and S1-16	3.1.1. Labour practices and Human Rights
S1-13	3.1.3. Talent Management

1.6. Material impacts, risks and opportunities: Double Materiality Assessment

Effectively responding to Belfius' evolving context is crucial. This helps in understanding and managing Belfius' impact on society and nature, as well as the associated risks and opportunities for financial performance. To meet stakeholder expectations and adapt to the changing business environment, the materiality matters are regularly assessed to align strategy, actions, and reporting. In 2024, Belfius carried out a thorough double materiality assessment process covering financial materiality (risks and opportunities from a business perspective) and impact materiality (impacts on society and nature) in accordance with CSRD and the requirements of ESRS. This has deepened the understanding of matters previously identified as being material to Belfius' key stakeholders. The process, methodology, and outcome of the double materiality assessment were thoroughly reviewed and endorsed by the Management Board and by the Audit Committee.

1.6.1. Process to Identify material Impacts, risks and opportunities



The double materiality assessment identifies material impacts, risks, and opportunities that (may) arise in the short-, medium- or long-term, or a mix thereof. It is important to note that the assessment of identified material impacts was carried out with a focus on the short-time horizon, while acknowledging that their relevance may extend beyond this period. The double materiality assessment has been conducted taking into account Belfius' specific context. Belfius re-confirmed its key stakeholders, assessed its reporting boundaries, and executed the double materiality assessment taking into account the value chain of Belfius Group, thus covering own operations, supply chain, its investment activity, its financing activity and its insurance activity. To identify the sustainability matters potentially relevant for Belfius Group, the sustainability matters addressed by the topical sector-agnostic ESRS, as well as sustainability matters that are relevant for the financial sector in general and for Belfius specifically, were assessed. The longlist of potentially material topics was enriched with insights from peer analysis, desk research based on sustainability-focused regulatory frameworks (for example of the ECB and EIOPA), sector-specific voluntary non-financial reporting frameworks (SASB), sector-specific publications from sources such as UNEP FI or NGFS, the results from its previous materiality assessments cfr GRI and relevant media research.

In addition to the research and the expert valuations, the impact assessment was enriched with quantitative impact assessment on corporate exposures using environmental, social and governance sector-proxies of UNEP FI Impact Analysis tool for financial institutions as well as sector proxies for environmental impacts from the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) database. Note that its direct exposure is focused primarily in Belgium. Belfius will continue to work on updating these impact assessments when sufficient granular and qualitative data on a.o. the value chain of its direct counterparties and clients becomes available.

When assessing financial materiality, the likelihood of occurrence and the magnitude of the potential financial effects of risks and opportunities were considered. The assessment of financial materiality was enriched and aligned with the established Belfius-specific risk assessment processes. Chapter 2.3. provides more information with respect to the identification of climate-related risks. The results of its climate-risks assessments as well as its operational risk assessments were also used. As guidance and expectations with respect to environmental and social risks are still evolving, and data availability, granularity and quality is still lacking, Belfius aims to consistently increase the scope and quality of its quantitative risk assessments, in line with the expectations of the ECB and EIOPA. Note as well that the assessment of risks has been done on a gross basis. This means that when a risk is identified as material, the measures that are in place to mitigate these risks were not taken into account.

For opportunities, the identification is tied to its strategy, given the fact that the existence of a strategy to exploit opportunities is a precondition for (likely) materialization.

Finally, the impacts, risks and opportunities that were assessed as material have been validated by a broader group of internal stakeholders, such as relationship managers, compliance, human resources, and members of the Management Board to ensure alignment with expectations of its stakeholders.

1.6.2. Results on Material Impacts, Risks and opportunities

The double materiality assessment resulted in the identification of the following sustainability matters of which either the impacts, or risks and opportunities are assessed as material. This includes both ESRS topics and additional entity-specific topics. The entity-specific topics have been linked to the most relevant ESRS topics.

Sustainability Matter	ESRS Reference*	Material		Value chain
		Based on Impact	Based on Risk or Opportunity	
Environmental				
Own climate footprint	E1	X		Own operations
Meaningful Financing	Entity Specific (E1 / S2)	X	X	Downstream
Meaningful Investing	Entity Specific (E1 / S2)	X	X	Downstream
Meaningful Insurance	Entity Specific (E1 / S2)	X	X	Downstream
Social				
Own workforce	S1	X	X	Own operations
Customer Transparency	Entity-Specific (S4)	X	X	Downstream
Financial Inclusion	Entity-Specific (S4)	X	X	Downstream
Information Security/ Data Protection	Entity-Specific (S4)	X	X	Own operations/ Downstream
Innovation and digitalization	Entity-Specific (S1 / S4)	X	X	Own operations/ Downstream
Community involvement	Entity-Specific (S3)	X	X	Downstream
Governance				
Business Conduct	G1	X	X	Own operations
Resilience	Entity-Specific (G1)	X	X	Own operations
Sustainable Procurement	S2 / G1	X		Upstream

*E1: Climate Change – S1: Own Workforce – S2: Workers in the value chain – S3: Affected Communities – S4: Consumers and end-users – G1: Business Conduct

Environmental matters

Refer to section 2 for more information.

Climate change

Belfius recognizes the impacts, risks, and opportunities associated with climate change, which span its own environmental footprint, meaningful financing, investing and insurance activities. As a financial institution, Belfius can play an active part in climate action through its lending, investment and insurance practices. Belfius' climate-related impacts include its own emissions, participation in the transition to sustainable energy sources, and the development of products that support climate adaptation and mitigation.

Belfius is committed to reducing its climate footprint through its Climate and Environmental Policy (CEP), which includes objectives such as using green electricity, and fostering renewable energy production by 2030. The Transition Acceleration Policy (TAP) further guides Belfius' efforts to transition to a low-carbon economy by phasing out financial support for coal extraction and setting decreasing thresholds for oil, gas and electricity generation activities.

The risks associated with climate change for Belfius include potential financial damages from extreme weather events affecting customer's value and profitability, regulatory changes impacting customer operations, and the necessity to integrate climate considerations into pricing to avoid unexpected claims.

Despite these challenges, Belfius sees material opportunities in developing new products and solutions that support climate mitigation and adaptation, which can enhance its lending, investment and insurance activities. By engaging with customers and encouraging them to transition to low-carbon operations, Belfius aims to promote sound practices.

Meaningful financing, investing and insurance

It is clear that the world is facing a number of pressing environmental challenges, from biodiversity and ecosystem collapse to the unsustainable use of natural resources, pollution and water crisis. The primary challenge to biodiversity in Belgium is attributed to the alteration of land use, driven by widespread urbanization and the expansion of cultural, industrial and agricultural activities into limited natural spaces.

Belfius intends to significantly influence environmental outcomes through its investment decisions, lending and insurance practices and policies. Belfius has integrated environmental criteria into the TAP, limiting its business activities in mining, palm oil and soy industries that may cause deforestation and large scale environmental degradation.

Social matters

Refer to section 3 for more information.

Own workforce

Belfius' mission to be "Meaningful and inspiring for Belgian Society. Together" includes the preface that employees have an essential role in the success of the strategy and operations. Belfius has an actual impact in empowering its employees by providing good working conditions such as good pay, access to health care, freedom of association. A failure to attract or retain adequately talented and motivated employees may lead to a decline in services quality, leading to customers loss and decreased revenue. Successful Innovation and digitalization of the workplace, amongst others, by utilizing AI, may lead to higher quality of services and an improved performance of its employees.

Consumers and end-user

Customer-orientation is one of Belfius four core values. Establishing a lasting relationship with customers, engaging with them in a responsible and transparent way, taking their opinions into account and satisfying their demands, is just as important as optimising operational services or financial performance.

As a result of the DMA, the following topics have been identified as material:

- Customer transparency
- Enhancing customer interaction through innovation and digitalization
- Data protection and information security
- Financial inclusion

Community Involvement

Firmly established within Belgium, Belfius aims to be impactful within the community by providing essential financial infrastructure and support to enable productive activities, investments, and transactions. Lack of community involvement or support may lead to negative public perception. Investing in local companies, entrepreneurs, and community projects may improve Belfius' reputation and customer loyalty. Community engagement may enhance Belfius' ability to design products and services tailored to clients' needs and expectations.

Governance matters

Refer to section 4 for more information.

Upholding good business conduct is essential to achieving Belfius' goals and strategy. Grounded in its core values, the highest standards of ethical behaviour, ensuring compliance and integrity are maintained. By doing so, Belfius contributes to the resilience of the financial system and consumer's trust. Failure to meet expectations of Belfius' stakeholders with respect to business conduct could lead to reputational damage and financial penalties. Belfius extends the highest expectation of ethical and sustainable behaviour to its suppliers.

2. Environmental Information

Belfius puts a strong focus on reducing its own climate footprint. The CEP aims to inform stakeholders, customers, suppliers, partners, employees and investors about Belfius' ambition and commitment to address climate crisis and environmental degradation. It tackles climate change mitigation and adaptation in its own operations and with its clients, energy efficiency in its buildings, renewable energy transition in the facilities hosting its data centres, and water consumption and preservation, biodiversity conservation, waste reduction, and pollution prevention in its own operations. The policy's general objectives are to limit the adverse environmental impact and to support the transition to a low-carbon, resilient and environmentally sustainable society. The policy applies to all subsidiaries of the Belfius Group over which it holds operational controls, i.e. entities over which Belfius has the full authority to introduce and implement its operating policies.

Each entity of the Belfius Group is responsible for respecting the CEP in its area of activity and taking all necessary actions to ensure the proper application of this policy. Every division and employee in Belfius’ organisation are expected to apply this policy. Part of the variable remuneration of Belfius’ managers is tied to the realisation of specific ESG objectives, which are revised each year to reflect Belfius’ strategy and ambition. The policy is implemented by the head of People Brand communication and ESG and is approved by the JMC. The CEP is accessible in its latest version on the Belfius website. See also section 1.5 Integration of sustainability matters into corporate governance.

To ensure that financial flows are directed towards a low-carbon and resilient economy, that informed decisions are taken, and that its own resilience, profitability and growth are ensured, Belfius measures its climate-related risks and opportunities and discloses them transparently following the recommendations made by the Task Force on Climate Related Financial Disclosures (TCFD). Belfius’ impact on climate and the environment is mostly linked to financing, leasing, insurance and asset management activities (see chapter 2.4. Integration of ESG into business activities). Belfius measures its climate impact by accounting for GHG emissions financed by loans and investments on its balance sheet following the guidance of PCAF. Although current calculations face data quality and availability limitations, Belfius is committed to continuously improving the completeness and accuracy of its assessments. As a financial intermediary, Belfius’ role is to finance the transition of its customers, helping them in significantly reducing their emissions. Belfius also engages with its customers to encourage and inspire them to start or pursue their transition journey. The TAP guides Belfius’ transition to a low-carbon economy. Belfius does not finance coal extraction and is committed to phase out any financial support to thermal coal activities along its value chain by 2030 at the latest. This policy also limits oil and gas related activities taking into consideration both the importance of conventional oil and gas in the socially-inclusive transition to a low-carbon economy and the need to reduce energy-related emissions in line with international climate targets. In this view, Belfius has also set decreasing thresholds for electricity generation activities.

The transition to a low carbon economy entails financial and non-financial risks for Belfius and its counterparties, impacting its counterparties’ risk profiles and profitability as well as its (collateral) assets’ values. Therefore, Belfius is gradually integrating these risks and their transmission factors into its risk management framework in line with the ECB’s Guide on climate-related and environmental risks. Information on climate-related and environmental risks are included in chapter 2.3.

Belfius Insurance also measures the shares of its non-life insurance revenues contributing to the climate adaptation objective according to the EU Taxonomy, aiming at reducing or preventing the adverse impact of the current or expected future climate related events, or the risks of such adverse impact. Furthermore, Belfius through its insurance subsidiary offers dedicated protection against Natural Catastrophes for its clients through its property and mobility insurance products. It aims to contribute to a more climate-resilient society and economy by intervening financially when its clients are impacted by these climate-related perils.

Given the nature of its activities, Belfius does not have specific targets and policies on the topics of pollution, water and marine resources, circular economy, and biodiversity. However, Belfius focuses on other aspects of sustainability, such as reducing its carbon footprint, financing renewable energy projects, and improving energy efficiency. It is also committed to promoting responsible and ethical practices in its operations and investments.

2.1. Carbon accounting methodology

2.1.1. Scope and methodology of Belfius carbon calculation

Belfius' carbon footprint is calculated for the Belfius Group according to the operational control consolidation approach, i.e. entities over which Belfius has the full authority to introduce and implement operating policies. The scope of its operational control is in line with the financial consolidation perimeter. Unconsolidated investees are accounted for in scope 3 category 15 as investment activities.

The carbon footprint calculations span all three scopes of GHG emissions in accordance with the GHG Protocol and PCAF[17]. Belfius' calculations cover the seven gases included in the United Nations Framework Convention on Climate Change (UNFCCC)[18]. These different gases are converted into a single unit, a 'CO_2 equivalent' (CO_2e) using the conversion factors of reputable sources[19].

Belfius' carbon accounting methodology is based on the distinction between different emission scopes, as defined by the GHG Protocol:

- Scope 1 emissions include emissions directly produced on Belfius' site, stemming from heating needs (gas consumption and heating oil) and losses of refrigerant gases from cooling systems, as well as the use of company cars.

- Scope 2 emissions include emissions related to the production of electricity needed for own operations. These emissions are considered indirect emissions since they are emitted at sources owned or controlled by other organizations.

- Scope 3 emissions are indirect emissions occurring in the value chain and are responsible for the majority of the carbon footprint. Scope 3 emissions are further subdivided into upstream and downstream emissions. Upstream emissions relate to the production of products and services provided, while downstream emissions come from the use of Belfius' services by clients and franchises. Since scope 3 emissions originate from many sources, they are categorized by the GHG Protocol into 15 different categories.

The definition for each scope and each category within scope 3 is indicated in the table below. Most financial institution emissions are typically linked to scope 3 category 15, i.e. all emissions related to the institution's investment and lending activities. Total category 15 emissions include financed scope 1, 2 and 3 emissions. Belfius' carbon accounting methodology is therefore subdivided into 'own operations emissions' (scope 1, scope 2 and scope 3 categories 1-14), calculated according to the principles defined by the GHG Protocol, and 'financed emissions' (scope 3 category 15), calculated using the PCAF methodology.

The calculations presented in this table do not include any carbon removals, purchase/sell/transfer of carbon-credits or avoided emissions. The inventory takes the obligatory mixing of biofuels and follows the same method as used in appendix V C of the European directive on renewable energies for direct emissions. The indirect emissions are estimated using the Life Cycle Assessment (LCA) of biofuels (BIOIS) made available by the French Agency for Ecological Transition (ADEME). The net-balance of biogenic sequestration and combustion is calculated in a separate biogenic inventory.

Construction and renovation loans are excluded from emissions calculations for mortgages and commercial real estate due to the lack of a dedicated methodology in the latest PCAF 2022 Standard. Belfius plans to include embodied emissions (i.e., financed scope 3 emissions for the mortgage asset class associated with materials and construction processes throughout a building's lifecycle) in the near future to enhance its understanding of the climate impact of its mortgage portfolio. Financial leases are not covered by the PCAF methodology; however, PCAF methodologies for real estate, energy-related, and transport assets have been applied to financial leasing assets to align with financial accounting practices.

[17] According to PCAF (2022). The Global GHG Accounting and Reporting Standard. Part A: Financed Emissions. Second edition.
[18] The UNFCCC greenhouse gases cover: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3)
[19] Emissions factors come from sources including: the French Agency for Ecological Transition (ADEME), the Department for Environment Food and Rural Affairs (DEFRA), Ecoinvent, and the International Energy Agency (IEA), who use the most recent GWP-100 values from the IPCC. The ADEME emission factors have been chosen because they are relevant for West-Europe. The ADEME database is maintained by a governmental institution and a transparent methodology behind the emission factors is available. For certain specific activities for which ADEME does not provide the desired granularity, DEFRA provides a good second option, since they are also relevant for West-Europe and their methodology is equally transparent. Ecoinvent, on the other hand, provides very granular emission factor for certain specific activities that cannot be found in both ADEME or DEFRA which have a more high-level nature.; Finally, some IEA emission factors were used, for activities where it was deemed important to use a more global representation.

The motor vehicle loans asset class includes loans to both retail customers and corporate clients. The project finance methodology applies exclusively to Belfius' power generation projects, all of which are renewable energy projects. The total emissions reported relate to asset classes for which a financed emissions methodology is available.

Overview of the scope and boundaries for each scope and each category within scope 3	
Source of CO_2 emissions	Scope and boundaries
Scope 1 – DIRECT – OWN OPERATIONS	
Gas & heating oil consumed	Emissions resulting from the combustion of fuels in stationary sources. Belfius measures the use of gas and oil for all of the buildings and salaried agencies that it owns
Company cars	Emissions resulting from the combustion of fuels in company owned/controlled cars. Belfius includes its company cars that are made available to commercial employees so as to be able to carry out their function
Refrigerants	Fugitive emissions resulting from the release of refrigerant gases, e.g. equipment leaks from joints, seals, packaging and gaskets and hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment
Scope 2 – INDIRECT - OWN OPERATIONS	
Electricity consumed	Emissions resulting from the generation of electricity consumed by Belfius in its own operations and controlled equipment, or to the heat purchased to third parties
Scope 3 – INDIRECT – OWN OPERATIONS – upstream	
Category 1 Purchased goods and services	Emissions from IT services, data centre devices, IT applications, bank cards, card readers, ATM services, paper and water consumed for own operations
Category 2 Capital goods	Emissions from Belfius Auto Lease vehicle manufacturing both for company and customer cars, the manufacturing of IT materials and own buildings embodied emissions
Category 3 Fuel and energy related to scope 1 & 2	Emissions associated with the extraction, production and transportation of fuels and energy purchased or acquired by Belfius, not already accounted for in scope 1 and 2
Category 4 Upstream transportation & distribution	Emissions resulting from transportation of mail or valuables
Category 5 Waste	Emissions resulting from waste disposal and treatment of waste generated in Belfius' operations (residual waste, wastewater and paper waste)
Category 6 Business travel	Emissions from transportation of employees for business-related activities in vehicles not owned or operated by Belfius (already included in scope 1)
Category 7 Employee commuting	Emissions from the transportation of employees between their homes and their worksites in vehicles not owned or operated by Belfius (already included in scope 1) and emissions related to teleworking
Category 8 Upstream leased assets	Emissions from assets leased by Belfius (buildings)
Scope 3 – INDIRECT – OWN OPERATIONS - downstream	
Category 9 Downstream transportation & distribution	Non applicable, not material for Belfius
Category 10 Processing of sold products	Non applicable, not material for Belfius
Category 11 Use of sold products	Emissions associated with the use of Belfius Direct Net, Belfius Mobile and Belfius.be by Belfius' customers
Category 12 End-of-life treatment of sold products	Emissions in the reporting year from end-of-life waste disposal and treatment of products sold by Belfius (bank cards, card readers waste, paper waste).
Category 13 Downstream leased assets	Emissions from the operation of assets owned by Belfius (lessor) and leased to other entities: Belfius Insurance owned buildings, Belfius Auto Lease leased cars
Category 14 Franchises	Emissions resulting from the consumption of heating fuels and electricity by Belfius franchises (Belfius Bank + DVV), as well as fugitive emissions from the release of refrigerant gases
Scope 3 – INDIRECT – FINANCED EMISSIONS	

Category 15 Investment (financed emissions)	Emissions from the mortgage portfolio (scope 1 & 2) Emissions from commercial real estate (scope 1 & 2) Emissions from business & corporate loans (scope 1, 2 & 3) Emissions from equities & bonds (scope 1, 2 & 3) Emissions from project finance (scope 1 & 2) Emissions from motor vehicle loans (scope 1 & 2) Emissions from financial lease (scope 1 & 2) Emissions from sovereign bonds (scope 1 & 2)

2.1.2. Data quality

Belfius encounters difficulties in obtaining complete, accurate and consistent data when assessing its carbon footprint. Observed fluctuations in results can at times be an outcome of refined methodologies and enhanced data quality, rather than actual changes in emissions. The data quality percentage (as presented in table “Operational Emissions – by scope and category (in tCO_2eq)”) indicates the amount of emissions calculated using actual reported data relative to total emissions.

For the own emissions (all scopes and categories except category 15), data and underlying evidence needed to calculate the carbon footprint are collected by a large group of suppliers and internal stakeholders. They engage directly with the relevant activities in their daily role and responsibilities. The 2024 carbon footprint calculations were based on primary activity data, rather than estimations.

In order to calculate financed emissions, emissions data are received via direct client engagement, or via reported or estimated GHG data through an ESG data provider. Emission factors from the PCAF database[20] are used to convert activity data into CO_2 equivalent.

The PCAF Data quality scores included in the table “Financed emissions by asset class” in section 2.2.1. indicates data triggering the prioritisation of an estimation method enabling us to monitor the quality of the calculations and improve them over time. The underlying drivers of this score are slightly different per asset class, but the principle stays identical: the highest score, score 1, generally represents the highest data quality corresponding to actual company or asset emissions, while the lowest score, score 5, represents the broadest estimations based on the sectoral average of the financed activity.

In all of Belfius' computations, priority is given to the most recent and highest quality data. Staying in line with GHG Protocol and PCAF guidelines, emission calculations are conducted in accordance with the UN's precautionary principles that advocate erring on the side of the environment when uncertainties arise. Each step of the calculation process, including assumptions and estimates, is recorded, thus facilitating easy incorporation of updates with increasingly reliable data sources over time.

Belfius is dedicated to implementing a data improvement plan with the goal of improving the precision of calculations and rendering the data collection process more efficient. This plan aims to gradually increase the amount of data reported and reduce the use of generalized estimates, which in turn will result in more accurate emissions calculations. The introduction of the CSRD is expected to improve data accessibility on Belfius’ financing and investment activities, therefore aiding the overall improvement process.

2.2. GHG Emissions

Belfius yearly measures and discloses its GHG emissions across all its operations according to the GHG Protocol and PCAF methodologies.

Belfius climate targets are developed first on emissions for which Belfius fully controls the source of these emissions. This approach therefore starts with Belfius own operations, and on the activities where it has the most leverage to enforce decarbonisation levers.

[20] 2022 PCAF European building emissions factor database for mortgages and Commercial Real estate & PCAF 2021 database for all other asset classes.

Belfius is in the process of defining science-based targets on emissions related to its financing and investment activities. Targets are developed first on the most material activities of Belfius. These targets are expected to be validated in the course of 2025. When it comes to financing and investment activities, Belfius will focus on the most climate sensitive sector firsts and will also consider the most relevant segments of its portfolio. A structured transition plan to achieve these targets will be developed taking into account the Strategy 2030 in the course of next year. Currently, no significant Capex and Opex are allocated to the implementation of Belfius' actions.

By source (in metric tonnes of CO2 equivalent)	**2022 baseline restated**	**2023**	**2024**	**Evolution 2023 - 2024**
FINANCED EMISSIONS (scope 3 Cat. 15, incl. sovereign emissions)	22,456,424	24,200,006	26,780,024	+11%
OPERATIONAL EMISSIONS (2.2.2)	177,463	176,835	163,843	-7%
Scope 1	4,206	2,137	1,873	-12%
Scope 2 (Market-based)	104	79	57	-28%
Scope 2 (Location-based)	1,896	1,685	1,545	-8%
Scope 3 (Market-based) excl. Cat 15 financed emissions	173,153	174,620	161,913	-7%
TOTAL CARBON FOOTPRINT (MARKET-BASED)	22,633,887	24,376,841	26,943,867	+11%

Belfius has published results on Scope 3, Category 15 for those asset classes and counterparties for which an established methodology is in place. As such, although Belfius has exposures related to insurance-associated emissions, assets under management and local public sector entities, Belfius will not disclose emissions related to these categories. As the exposures related to insurance-associated emissions, assets under management and local public sector entities are part of the core activities of Belfius Group, Belfius will monitor the evolutions in the related methodologies closely. Note that the total assets under management amounted to EUR 34.7 billion per 31 December 2024, and the loans to and investments in local public sector entities amounted to EUR 18 billion per 31 December 2024 (included in "loans and advances" and "debt securities and equity instruments" in the consolidated balance sheet). The insurance associated emissions are considered insignificant based on first, high level estimates, however due to the uncertainty of the estimate and the early-stage methodology, Belfius does not disclose figures related to insurance associated emissions.

2.2.1. Financed emissions

Belfius calculates its financed emissions in accordance with the methodology of PCAF. Its methodology focuses on the seven asset classes identified by the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry. These classes include mortgages, business and corporate loans, commercial real estate loans, equity and bonds, motor vehicle loans, project finance and sovereign debt. In addition, financed emissions related to financial lease is included. PCAF methodologies with respect to real estate, energy-related and transport assets were applied to the financial leasing assets to align to financial accounting practices. Together, the seven asset classes cover 63% of the total loans and investments of Belfius Group. The uncovered part of the loans and investments primarily relates to exposures to local public sector entities and exposures to financial corporations. Belfius has opted not to include the exposures on local public sector entities as an established methodology is not yet in place. Belfius will monitor the evolution in the methodology closely. Certain values in the table are expressed in kilotonnes of CO_2 equivalent ($ktCO_2e$) and tonnes of CO_2 equivalent per million euro (tCO_2e/M€). For further information on the methodology applied and assumptions used for each asset class, refer to chapter 2.1. Carbon Accounting Methodology.

Asset class	Year	Gross carrying amount (M€)	Financed emissions – scope 1& 2 (kt CO2e)	Financed emissions – scope 3 (kt CO2e)	Economic scope 1 & 2 emission intensity (t CO2e/M€)	PCAF Data Quality score
Mortgages	2023	41,807	1,297	-	31	5.00
	2024	42,932	1,211	-	28	5.00
Business and corporate loans	2023	27,767	2,221	14,717	80	4.38
	2024	29,395	2,353	16,933	80	4.38
Commercial real estate loans	2023	6,440	633	-	98	5.00
	2024	6,600	655	-	99	5.00
Equity and bonds	2023	3,607	1,165	1,067	323	4.40
	2024	3,332	1,064	1,134	319	4.34
Financial lease	2023	2,358	167	-	71	5.00
	2024	2,631	171	-	65	5.00
Motor vehicle loans	2023	1,492	268	-	180	4.99
	2024	1,590	267	-	168	4.98
Project finance	2023	586	0	-	0	3.68
	2024	585	0	-	0	3.28
GRAND TOTAL IN SCOPE	2023	84,057	5,752	15,784	68	4.75
	2024	87,065	5,721	18,067	66	4.75
Sovereign debt	2023	9,202	2,664	-	290	5.00
	2024	10,472	2,993	-	286	5.00
GRAND TOTAL IN SCOPE (incl. sovereign debt)	2023	93,259	8,416	15,784	90	4.77
	2024	97,537	8,713	18,067	89	4.78

This report also includes the calculation of Belfius' sovereign emissions, i.e. emissions associated with the sovereign debt held on its balance sheet. Given that a sovereign is primarily regarded as a national territory, its emissions are attributed to those generated within (scope 1) or outside (scope 2 & 3) its boundaries. Due to potential double counting, the emissions related to sovereign debt are reported separately.

The sovereign debt asset class incorporates emissions derived from sovereign bonds and sovereign loans. The methodology developed by PCAF offers four distinct approaches to calculate these emissions: production-based and consumption-based, with or without considerations of Land Use, Land-Use Change, and Forestry (LULUCF). Consumption based emissions offer a broader perspective by including exchanges of goods and services between countries and where they are ultimately consumed. LULUCF refers to how land management practices affect the exchange of greenhouse gases between the atmosphere and the land, influencing climate change.

From a methodological perspective, production-based calculations offer a robust and accurate representation of a sovereign's emissions in line with UNFCCC recommendations, Belfius has therefore selected this approach.

Emissions of Sovereign Exposures	Year	Gross carrying (M€)	Including LULUCF (kt CO_2e)	Excluding LULUCF (kt CO_2e)
Production emissions	2023	9,202	2,631	2,664
	2024	10,472	2,919	2,993

2.2.2. Operational emissions

As a result of the DMA, the following Impacts and Risks have been identified as material:

Topic	IRO	Description	Value chain
Own climate footprint	Impact	Participating in climate change by emitting GHG emissions in its own operations.	Own operations
	Impact	Participating in the transition to sustainable energy sources.	Own operations
	Risk	When not investing in climate change adaptation infrastructure and technology, Belfius' own operations are at risk.	Own operations

Belfius has set targets for its own operations to demonstrate responsibility for its own operational footprint. Belfius' own operational emissions consist of all direct (scope 1) and indirect emissions (scope 2 & 3), with the exception of financed emissions. All amounts in the table below are expressed in tonnes of CO_2 equivalent (tCO_2e).

Operational Emissions – by scope and category (in tCO2eq)	2022 baseline restated	2023	2024	Evolution 2023 - 2024	2024 data quality
TOTAL SCOPE 1	4,206	2,137	1,873	-12%	84%
Heating (gas and oil)	2,032	1,465	1,212	-17%	76%
Company cars	2,144	599	486	-19%	99%
Refrigerants	31	73	176	+141%	100%
TOTAL SCOPE 2	104	79	56	-29%	13%
Electricity consumed (market-based)	104	79	56	-29%	13%
Electricity consumed (location-based)	1,896	1,685	1,545	-8%	90%
TOTAL SCOPE 3 (MARKET-BASED) – OPERATIONAL	173,153	174,620	161,914	-7%	62%
UPSTREAM SCOPE 3 EMISSIONS (MARKET-BASED)	80,642	99,901	97,631	-2%	
Category 1 – Purchased goods and services	3,914	3,589	3,415	-5%	89%
Category 2 – Capital goods	69,746	89,122	86,712	-3%	100%
Category 3 – Fuel and energy related to scope 1 & 2 (market-based)	709	550	506	-8%	84%
Category 3 – Fuel and energy related to scope 1 & 2 (location-based)	800	606	623	+3%	86%
Category 4 – Upstream transportation & distribution	1,851	2,452	2,797	+14%	96%
Category 5 – Waste	143	91	48	-47%	16%
Category 6 – Business travel	691	668	630	-6%	100%
Category 7 – Employee commuting	3,460	3,407	3,504	+3%	88%
Category 8 – Upstream leased assets	128	21	19	-10%	0%
DOWNSTREAM SCOPE 3 EMISSIONS (excluding financed emissions)	92,511	74,719	64,301	-14%	
Category 9 – Downstream transportation & distribution	Non-existant	Non-existant	Non-existant		
Category 10 – Processing of sold products	Non-existant	Non-existant	Non-existant		
Category 11 – Use of sold products	609	659	673	+2%	100%
Category 12 – End-of-life treatment of sold products	76	74	78	+5%	76%
Category 13 – Downstream leased assets	77,452	63,363	55,169	-13%	3%
Category 14 – Franchises	14,374	10,624	8,362	-21%	10%
TOTAL OPERATIONAL CARBON FOOTPRINT (MARKET-BASED)	177,463	176,835	163,844	-8%	62%
TOTAL OPERATIONAL CARBON FOOTPRINT (LOCATION-BASED)	179,965	180,872	167,218	-8%	62%

Energy consumption and mix		2023		2024	
		MWh	%	MWh	%
Consumption from fossil sources		8,209	38%	6,814	34%
Consumption from nuclear sources		267	1%	212	1%
Consumption from renewable sources	Renewable sources in total energy consumption	13,188	61%	13,268	65%
	Fuel consumption (biofuel, giogas,...)	0	0%	0	0%
	Consumption of green electricity	13,188	61%	13,268	65%
Total energy consumption related to own operations		**21,664**	**100%**	**20,294**	**100%**

The table below provides the total GHG emissions in metric tonnes of CO_2eq per net revenue, as available in the table on the Consolidated Statement of Income. The calculation of GHG emissions intensity takes into account the scope 3 category 15.

GHG emissions intensity		2024
GHG emissions intensity	kgCO2e/€	8.3
*Location-based	kgCO2e/€	8.3
*Market-based	kgCO2e/€	8.3
Net revenue	€	3,259,288,443
Net revenue used to calculate GHG intensity	€	3,259,288,443
Net revenue other than used to calculate GHG intensity	€	0

2.2.2.1. Targets on operational emissions

Belfius climate targets are developed first on emissions for which Belfius fully controls. This approach therefore starts with Belfius own operations, and on the activities where it has the most leverage to enforce decarbonisation levers.

All targets in this section have been approved by the Joint Management Committee and the Board of Directors. Belfius is not excluded from the EU Paris-aligned Benchmarks because it does not derive a set percentage of its revenues from coal, oil or gas or electricity generation. With regard to operational emissions, the Own Operations Desk monitors the implementation of the targets. This includes activities related to sustainable buildings management (incl. building management by Belfius Insurance (Direct Property), Belfius fleet and employee transportation (business travel and commuting), as well as Belfius Auto Lease client activities. The Climate Technical Decision Committee is consulted for technical questions related to the measurement of the carbon footprint and the impact of any methodological and data-related decisions on the climate targets of Belfius. This Committee is composed of the ESG Heads of Belfius Bank and Belfius Insurance, the Head of Intern Risk Steering and Emerging Risks and the Head of Data and Analytics E&E&P and ESG. Internal stakeholders whose roles and responsibilities are linked to activities covered by the target take ownership of the implementation of the action plan in their areas of responsibility.

To set targets on its operational emissions, Belfius uses the Science-Based Target initiative (SBTi) methodology and tools. A 1.5°C scenario has been chosen whenever available, which means that only transportation activities linked to the use of leased cars by its clients could not be tested against a 1.5°C scenario. Nevertheless, Belfius chose to upgrade its ambition compared to the scenario provided by SBTi in its transportation tool V1.1.

Most targets are set for 2030 as part of Belfius 2030 Strategy exercise. Further targets on 2050 and interim milestones will be developed in the future. Targets are set on a 2022 base year, which means that progress will be monitored against the 2022 carbon footprint baseline. The year 2022 was chosen as baseline since it is considered the first representative (i.e. non-covid) year for which a complete inventory of information for all activities included in the footprint was available. Note that Belfius has not yet quantified the potential reduction by decarbonisation lever[21] but expects to quantify targets in the course of 2025.

[21] Aggregated types of mitigation actions such as energy efficiency, electrification, fuel switching, use of renewable energy, products change, and supply-chain decarbonisation that fit with undertakings' specific actions.

Target type	Scope	Share of total scope	Unit	2022 (baseline)	2024	Target 2030 (or 2025)
Absolute reduction target	Scope 1 – buildings & company cars	11.6%	tCO2e	23,583	14,924	-42%
	Scope 3 Category 3 – upstream energy	3.9%				
	Scope 3 Category 5 – waste	0.3%				
	Scope 3 Category 6 – business travel	3.9%				
	Scope 3 Category 7 – employee commuting	21.7%				
	Scope 3 Category 14 – franchises	58.7%				
Intensity target	Scope 3 Category 13 – leased car fleet		gCO2e/km	139	101	-50%
	Scope 3 category 13 – leased real estate		kgCO2e/m^2	26.7	17.1	-64.7%
Renewable electricity target	Scope 2 – electricity consumption		%	94.5	96.3	100.0%

Belfius developed three different types of decarbonization targets for its own operations together with internal stakeholders through various channels, ensuring their perspectives are considered. First, a general absolute emission reduction target has been established, which covers Belfius' scope 1 emissions as well as a significant part of its scope 3 emissions. This target was determined by applying an absolute contraction approach in the SBTi tools. Second, two specific intensity targets were developed which allow Belfius to set decarbonization targets while still allowing business growth. These two intensity targets cover the cars leased to clients by Belfius Auto Lease (gCO_2e/km), on the one hand, and the Belfius Insurance real estate portfolio ($kgCO_2e$/m2), on the other hand. These intensity targets have been determined by applying the sectoral decarbonization approach in the SBTi tools. Finally, Belfius developed a specific, short-term target focusing particularly on its electricity consumption. This target is expressed as a "percentage of total electricity consumption coming from renewables" and it highlights Belfius' ambition to consume green electricity as soon as possible (by 2025) in all its operations.

- The general absolute emission reduction target is to achieve a decrease of 42% (by 2030) of Belfius emissions related to its own buildings and company cars emissions (scope 1), its waste production, business travel, employee commuting and its franchises (scope 3). In 2024, the main positive actions are about the electrification of the car fleet and the switch of franchises to green electricity contract.

- The intensity target of Belfius Auto Lease is to decrease its emissions per km by 50% by 2030. Decarbonization levers to reach this target mainly focus on electrification and fuel switching. The achievement of the target depends on Belgian regulations related to electric cars and the demand for them. Currently, Belgian regulations and fiscality are encouraging customers to switch to electric vehicles. Considering the above, Belfius will make its best effort to achieve this target.

- The second intensity target is about Belfius Insurance and its buildings leased to clients as Belfius Insurance invests in real estate assets that are rented out to third parties. On this portfolio, Belfius sets a relative target of -64.7% per m^2 by 2030. Belfius Insurance does not have full control over the operational management of these buildings. Additionally, it also relies on the tenants for the collection of data related to the buildings' emissions. Considering the above, Belfius will make its best effort to achieve this target.

- The renewable electricity target is to achieve 100% renewable electricity for Belfius head and regional offices, salaried agencies, Crefius and Elantis buildings. Belfius decided to set a very ambitious target: 100% renewable electricity by 2025. In 2024, there are still two buildings with grey electricity contracts. Other buildings have already a green electricity contract and the consumption of green electricity relative to the total consumption amounted to 96.3%.

2.2.2.2. Belfius' targets

Belfius aims to reduce its own emissions by setting emission reduction targets. The achievement of these targets requires the implementation of various actions. The actions plan to responsibly manage its own climate footprint focuses on three pillars:

- Responsible building management (scope 1, scope 2 & scope 3 for buildings leased by Belfius Insurance to clients & franchises): including energy efficiency measures and efforts to transition to clean energies, climate adaptation efforts, steadily decreasing waste production and responsible water consumption and preservation. This pillar is about actions coming from the Belfius own buildings (including the head and the regional offices, the salaried and independent agencies), the other entities (Crefius and Elantis buildings) and the buildings leased by Belfius Insurance to clients.

- Green mobility (scope 1 & scope 3): including transportation of its employees, with the management of the fleet and commuting, as well as the sustainable mobility in Belfius' leasing offer. This second pillar is about actions coming from Belfius Auto-Lease, Employee Commuting and Business travel.

- Sustainable IT (scope 3): including efforts to reduce the carbon footprint of technology, extending the lifespan of devices, refurbishing older equipment for donation, creating awareness (ambassadors, campaigns, digital clean-up week…) and providing e-learning on global warming to support the transition to a more sustainable society.

Responsible building management

Energy efficiency measures and efforts to transition to clean energies

Belfius aims to remain available and accessible to all its employees and customers. This involves the use of numerous buildings - central buildings, regional spaces and local branches - all of which require lighting and heating. Belfius understands the influence of energy consumption on climate change and therefore aims to reduce its energy requirements and, when possible, choose renewable energy sources.

With a view to further reducing its own carbon footprint, Belfius is continuing to implement measures to improve the energy performance of its buildings, both at head office and at its branches.

Belfius aims to use 100% certified green electricity in all buildings it owns by the end of 2025 and for its operations. Belfius is also committed to increasing its production of renewable electricity in all buildings where it is feasible. Today, there are still two buildings with a grey electricity contract. All the other buildings have a green electricity contract, including salaried agencies and franchises (Belfius Bank & DVV).

Some actions have been implemented, such as optimization of monitoring systems, moving to a more efficient building (Crefius building), use of nanogrids for a better control of the energy consumption (salaried agencies), installation of solar panels (Elantis building) and others are planned or studied, installation of heat pump (head office Rogier Tower), EPC analysis (salaried agencies), mobilization's offer in the reduction of emissions (DVV franchises), and professional platform to collect automatically the information of the tenants (buildings leased by Belfius Insurance to clients).

Climate adaptation efforts

Belfius monitors the impact of climate-related risks on its operational resilience. A yearly threat analysis measures the impact of physical risks, including natural disasters on Belfius' assets (such as Belfius data centre) with a view on business continuity capabilities. When necessary, adequate mitigating actions are then taken to ensure the ability to continue or quickly resume critical activities in case of extreme events. Most critical activities are executed simultaneously in different places and the use of adequate technologies also limits the potential impact of climate-related risks on activities.

Steadily decreasing waste production

Belfius has put measures in place to prevent waste, increase recycling and manage disposal responsibly.

In order to reduce pressure on natural resources, Belfius is working to both limit the production of waste (mainly office waste, but also catering and hygiene waste) and increase the percentage of recycled waste. Therefore, as a waste prevention measure, Belfius has imposed a paperless policy wherever possible (except for specific client communication and contracting where needed to ensure inclusion) and has implemented various digitalization projects for several years now.

Waste generated at Belfius Tower (head office) and regional headquarters is sorted using sorting bins installed on all floors. A certain proportion of waste goes into local municipal services' processing chain, while other waste is collected by specialised companies. Paper (confidential and non-confidential), cardboard, paper cups and paper towels are recycled. Waste is sorted in accordance with municipal regulations at all of Belfius' local branches, however the removal, destruction and further processing of confidential papers are uniformly handled by a single operator appointed by the head office.

In April 2024, Belfius changed the catering provider to a more eco-friendly one that offers vegetarian meals. The coffee corners at each floor of the Rogier Tower (head office) will be enhanced with water fountains, no more paper cups but only non-disposable cup (the end of the works is expected in March 2025).

The graph below shows the distribution of different waste categories for 2024, as measured by Belfius' waste manager using the Facility Management Information System. Electronic equipment (servers, laptops, tablets, telephones, etc.) is not included, as Belfius operates through leasing contracts for IT equipment. The close monitoring of the presence of staff in the buildings avoids food waste from the company restaurant. In addition, Belfius continues to define ambitious targets for its catering company to further reduce food and non-food waste. These include composting food waste or converting it into biogas, using sustainable products, prioritizing shorter production chains and eliminating single-use plastic.

Total waste generated (in kg)	**2023**	**2024**
Total residual waste	168,400	177,400
Total paper and cardboard waste	59,491	47,233
Total recycled waste (excl. paper)	38,580	39,205
Total biowaste	2,400	4,320
Total hazardous waste	465	465
Total waste generated	**269,336**	**268,623**

Responsible water consumption and preservation

Water management is a key environmental issue in Belgium. Although in absolute terms Belfius is not a major player in this area, it nevertheless wants to optimise its management of running water. Water consumption at central offices (Rogier Tower and Pacheco) is monitored in its central database so that it can quickly intervene in the event of any leaks or anomalies. The equipment of all local offices with nanogrids by 2025 will allow for the same monitoring and quick intervention at those sites. Most of the decrease in water consumption in its offices compared to 2019 is due to teleworking, which has become an integral part of its way of working.

Green mobility

Transportation of Belfius' employees: fleet and commuting

Belfius makes every possible effort to reduce CO_2 emissions linked to its employees' home-to-work journeys.

Since the Covid crisis, many actions have been launched that contribute to the reduction of the emissions: (1) home based and telework employee status, (2) introduction of the federal mobility budget for new joiners, (3) reimbursement of train station parking fees, (4) parking cost at the head office… In fact, the introduction of a new structural teleworking status in 2022 has consistently reduced commuting and associated CO_2 emissions. Belfius strives to promote modes of transport emitting as little CO_2 as possible.

About company cars, Belfius has resolutely opted for electric driving. Since May 2023, only fully electric cars can be ordered by Belfius employees. At the beginning of 2025, 29% of the fleet was composed of fully electric vehicles and 34% of hybrid vehicles. The entire Belfius car fleet will be decarbonized by the end of 2029.

In January 2025, Belfius decided to work with a dynamic catalogue of thirty electric car models for every employee (included in their Flex budget). Moreover, at the same time, Belfius has proposed to each employee to include in the Flex budget the possibility to opt for a shared car (in partnership with Poppy) and a rented car (in partnership with Rent a Car). Finally, the objective for the 2026-year is to offer employees a second-life leasing.

Employees with a company car or a flex car may choose to install a charging point at home. So far, 1.502 employees have made that choice, of which 346 in 2024.

Belfius also encourages the use of public or active modes of transport. Public transport and railway station parking costs are paid for by Belfius. Cyclists and pedestrians receive an allowance per kilometer and have access to showers, changing rooms and secure parking at work. The mobility plan further discourages individual car use (not carpooling) by charging a parking fee at the workplace.

In September 2023, Belfius Bank introduced the federal mobility budget, encouraging workers to opt for environmentally friendly mobility solutions. After 1 year, the trend is confirmed and 50% of the eligible employees choose a mobility budget. So far, 50% of eligible employees have chosen a mobility budget instead of a car budget. Belfius Insurance has followed suit and introduced its own mobility budget in January 2024.

Sustainable mobility in Belfius' leasing offer

Belfius strives for low-carbon mobility with its full-service leasing offer. Belfius Auto Lease is committed to reducing the average CO_2 emissions of its fleet (in tonnes/ car/year), with the goal of reaching a 50% reduction by 2025 versus 2022.

This -50% target will be achieved thanks to, amongst others, the electrification of the car fleet. Belfius Auto Lease works with CenEnergy to provide an intelligent electric charging infrastructure to customers wishing to make the shift to electric or plug-in hybrid cars. Belfius Auto Lease is also branching out into the alternative mobility sector. This includes offering Belfius Move by Skipr to its customers, an all-encompassing Mobility as a Service solution provided by Skipr. This program includes an app designed to streamline varying travel options, a payment card recognized by every European mobility provider and a budget management platform with the possibility of generating CO_2 reports. In addition, Belfius Bike Lease provides an all-in offer for all types of bicycles with services such as maintenance, insurance and assistance in collaboration with Cyclis, a Belgian trailblazer in the sector. Belfius Lease is also accelerating on the path of the ecological transition.

Business travel

Business travel is a minor category of emissions. There was a decrease of 6% between 2023 and 2024 due to a lower number of long flights. To continue the reduction of emissions on Business travel, Belfius is monitoring what is happening on the market and getting inspired by the Belgium Business travel pioneers.

Sustainable IT

Belfius' Information Technology (IT) Systems are fundamental to its daily operations and overall success. They are the driving force behind its business, playing a crucial role in every task it undertakes. Looking to the future, it is clear that Belfius' reliance on various types of digital services will only continue to grow. Whether it's basic day-to-day needs or more complex operations, digital services are becoming an increasingly dominant part of its work processes. This growth in digital service usage does not just mean more technology in use, but also reflects Belfius' commitment to ongoing development and sustainable practices.

Technology accounts for 0.022% of total Belfius emissions.

Measuring in a qualitative and stable way the big efforts that have been done to reduce the Technology carbon footprint remains challenging. Also, the Technology carbon footprint is heavily impacted by business and strategic choices and by the increasing CO_2 impact of specific technology evolutions, e.g. AI.

Nonetheless, Technology is committed to bending the curve by lowering intensity and boosting awareness.

As an example, in 2024:

- Specific ESG objectives were integrated in the Management Contracts of the Technology Management Committee members.

- The decision was taken to extend the lifespan of the new laptops from 3 to 4 years.
- More than 1500 older devices were refurbished to be donated to schools.
- An e-learning with the basics to understand the causes and consequences of global warming was released to all its employees, also explaining how Belfius is working to support the transition to a more sustainable society.

The handbook with best practices guidelines related to eco-design & eco-coding was created and will be further developed and tested in 2025.

2.2.2.3. Carbon credits

In addition to emissions avoidance and reduction efforts, Belfius purchases carbon credits equivalent to the emissions on which Belfius has the highest direct control, namely own operations excluding emissions from Belfius Auto Lease activities, financed emissions, and DVV franchises. Carbon credits are transferable or tradable instruments that represent one metric tonne of CO_2eq emission reduction or removal and is issued and verified according to recognised quality standards. These credits have no impact on Belfius total footprint calculations and are not considered as a reduction but as a separate voluntary exercise. In order to remain transparent, Belfius discloses the total amount of carbon credits in tons of CO_2 equivalent.

Carbon Credits cancelled in the reporting year	2023	2024
Total (tCO2eq)	44,600	30,500
Share from reduction projects (%)	100%	100%
Share from removal projects (%)	0%	0%
Gold Standard (%)	100%	100%
Share from projects within the EU (%)	0%	0%
Share of carbon credits that qualify as corresponding adjustments (%)	0%	0%

For its voluntary purchase of carbon credits, Belfius selects projects in developing countries that are certified with the Gold Standards, a recognised quality standard. Aware of issues related to the reliability of the voluntary carbon market, Belfius is monitoring developments and recommendations of international guidelines and platforms such as the Integrity Council for the Voluntary Carbon Market (ICVCM), an independent governance body for the voluntary carbon market, in order to strengthen Belfius' policy in this subject matter. All carbon credits purchased in the past have been cancelled, therefore Belfius owns no amount of carbon credits that are planned to be cancelled in the future. In the future, Belfius will not buy carbon credits anymore but carbon removal credits.

2.3. Climate and environmental risks

There is no doubt that climate change and environmental degradation (including biodiversity loss, pollution, and natural resources depletion) will have a significant and lasting impact on economic growth and prosperity. Accordingly, climate-related and environmental (C&E) risks have been identified by Belfius as one of the top risks. This is in line with the World Economic Forum's (WEF) Reports[22], which have consistently identified climate change impacts amongst the top short-term global risks over the past three years. In the long term, climate change is even assessed as the most significant global risk, while the continuous inclusion of other emerging environmental risks shows growing concern over the preservation of the ecological systems and the use of natural resources.

It should be noted, however, that the social dimension also remains at the heart of Belfius' concerns. Therefore, Belfius is committed to addressing the financial impacts stemming from climate factors in a holistic way, with sufficient weight attributed to the social consequences.

[22] World Economic Forum Annual Report 2023-2024

In order to ensure it remains resilient and profitable, Belfius regularly performs climate risk assessments with the goal to (i) identify relevant C&E risk drivers for its activities, portfolios and geographies, (ii) assess the degree of vulnerability of its main assets, portfolios, insurance coverages and activities to identified C&E risks, (iii) identify assets, portfolios and activities at material physical and transition risk and (iv) quantify potential financial impacts of those risks on its profitability, solvency and liquidity where possible. In the emerging field of climate risk assessment, Belfius applies a flexible and gradual approach continuously improving the data and methods especially where risks are material. Please note however that since methodologies are not fully mature yet and granular data is often still lacking, no precise figures about the anticipated financial effects of C&E risks are provided at this stage (phased-in approach).

Belfius' C&E risk assessments always consider both physical and transition risk drivers:

- Physicals risks arise from the physical effects of climate change and environmental degradation and include acute risks (mostly weather-related events and natural disasters such as storms, floods, fires or heatwaves) and chronic risks resulting from incremental pattern changes (such as rising sea levels, water stress or biodiversity loss).

- Transition risks arise from the transition to a low-carbon, climate-resilient and environmentally sustainable economy and include policy risks (such as the introduction of a carbon tax, new energy efficiency requirements for buildings,…), technological risks (rendering old technologies obsolete in favor of new ones that are less damaging for the climate), market risks (such as a shift in consumer preferences towards more sustainable products and services), legal risks (such as the risk of litigation for failing to address climate-related issues) and reputational risks.

Physical and transition events are assessed separately and over different time horizons. The horizon used for strategic planning and capital allocation plans (5 years) is always covered by climate risk assessments. Longer time horizons are also considered as it is expected that physical and transition risks will significantly increase over time.

Risk identification and assessment are a prerequisite for strategic decisions and detailed risk management actions, which in turn help ensuring the group's long-term resilience. The climate risk assessments performed by Belfius plays a crucial role in guiding and enhancing the strategy. It enables Belfius to identify the risks related to climate change that are material or might become material in the future. In this way, Belfius fosters awareness within the undertaking and can implement an adequate monitoring process and adopt risk mitigation strategies, ensuring short, medium and long-term resilience to material climate risks.

Building on the results of these assessments, Belfius is also able to:

- Identify attention points in credit analysis and investment underwriting for counterparties in sectors more vulnerable to C&E risks

- Prioritise data collection for counterparties with higher exposures to transition risks

- Feed the ongoing reflection on the ESG strategy

- Enhance its climate stress tests scenarios with deep dive analyses on most material C&E risk drivers and most sensitive sectors

- Identify adequate additional risk mitigation measures and actions plans to manage and reduce risks or potential financial impacts

C&E risks will mostly affect Belfius indirectly (through its financing activities) but can also impact it directly (via its own assets, insurance coverages, operations, business continuity and reputation). The following sections will therefore focus on the one hand, on the financial resilience analysis (section 2.3.1) and, on the other hand, on the (group wide) operational resilience analysis (section 2.3.2).

2.3.1. Financial resilience analysis

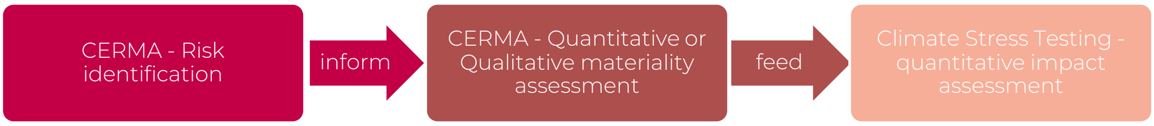
The climate resilience assessments for financial risk cover the downstream value chain and differ per entity/activity. Separate financial resilience analysis have thus been performed at Belfius Bank (see section 2.3.1.1.) and Belfius Insurance (see section 2.3.1.2.).

The overall outcome of those analyses is however the same: the results from the various climate risk assessments performed to date (detailed in the following sections) show that, **although deemed material, C&E risks do not pose a significant threat to Belfius' profitability, solvency and liquidity in the given scenarios for the time being**.

Belfius therefore remains convinced that, in the context of significant expected macro- and micro-economic changes stemming from the transition to a low-carbon, climate resilient and environmentally sustainable economy, its climate aware business strategy and risk management framework, combined with its robust balance sheet structure and reinsurance program, will ensure its resilience and growth.

Belfius usually uses **complementary approaches to assess the financial resilience of its activities to C&E risks**:

- In a first step, a high-level climate risk (materiality) assessment is conducted, based on available qualitative and quantitative data. This step allows Belfius to identify risk drivers and to assess their potential financial impact.
- In a second step, this assessment is supplemented, where relevant (i.e. for assets, portfolios and activities where risks are identified as material), by a deep dive analysis and/or climate stress test, with the result of the first assessment as starting point and input. This complementary assessment allows Belfius to gain a deeper understanding of the expected financial impact of the risks, to verify its resilience and internal capital adequacy to severe but plausible scenarios of risk materialization and to check whether it remains within its risk appetite limits at all times.



To perform those assessments, Belfius relies on available standards and frameworks (such as UNEP FI and TCFD) but also recommendations from its supervisors (ECB, EOPIA, etc), observed best market practices, academia and scientific research and insights from leading international organizations (NGFS, IEA, etc).

2.3.1.1. Financial Resilience analysis for Belfius Bank

The financial resilience analysis describes the resilience of Belfius Bank's strategy and business model in relation to climate change.

This analysis combines several types of assessment:

- At portfolio-level, a first high-level materiality assessment is performed aimed at identifying relevant C&E risks and assessing their potential impact on Belfius Bank, which, in turn, allows Belfius bank to detect the most sensitive portfolios on its balance sheet. Since relevant risk drivers and transmission channels (which include property damages, business disruptions, loss of income, higher costs and investments, lower profitability and asset values, as well as macro-economic changes such as price increases and labour productivity decreases) vary per traditional prudential risk category, separate analysis have been performed per risk dimension (credit, strategic and business, operational, market and liquidity). Generic economic impacts were translated into Belfius specific financial impacts taking into account Belfius Bank's specificities (exposure amounts, maturity, risk profile of individuals and companies composing each portfolio, etc).

- This assessment is supplemented by climate stress tests aimed at simulating the evolution of the credit risk profile of the selected portfolios in case of materialization of the most prominent C&E risk drivers.

- At counterparty-level, an assessment of the ESG (risk) profile of companies is performed, based on an in-house methodology translating metrics into an ESG Score.

The scope and methodology of each assessment (i.e. how and when the analysis has been conducted, including the use of climate scenario analysis) are detailed in section 2.3.1.1.1 'Methodology and assessments", whereas the outcome of those assessments is detailed in section 2.3.1.1.2 "Results of risk identification and assessments". Disclosures about the share of assets at material physical or transition risks within Belfius' banking book portfolios are available under section 2.3.1.1.3 "Disclosure of assessment". The mitigating measures implemented by Belfius Bank to address C&E risks are described in section 2.3.1.1.4 "Mitigation action".

Belfius Bank stresses out that, as C&E risks impact several financial risk categories through different drivers and transmission channels, the assessment of these risks remains a challenging exercise, especially coupled with the limited data available on the market. Therefore, Belfius Bank applies a flexible and gradual approach to tackle these challenges and is expecting further guidance from the regulator.

2.3.1.1.1 Scope and methodology of assessments

a. Climate and environmental risks materiality assessment (CERMA)

The potential impact of C&E risks on Belfius Bank's risk profile was assessed in 2023 with the support of external climate experts and internal banking experts. This exercise aimed at evaluating the impact of a wide range of climate-related and environmental risk drivers on Belfius Bank's main risk categories through various micro and macro transmission channels and over different time horizons (short (up to 2026), medium (2026 to 2030) and long term (2050)). The CERMA was applied to Belfius Bank's consolidated scope and will be reviewed/updated at least every two years. Given that no material change was observed in the portfolio in scope or in the hazard analysis, this exercise was not performed in 2024. It will be performed in 2025.

The first step of the CERMA involves identifying material risk drivers through a qualitative materiality assessment conducted at portfolio level, taking into account various dimensions such as time horizons, risk drivers, risk dimensions and vulnerability clusters. Subsequently, quantitative methodologies are applied where possible and relevant to identify risk pockets and estimate high level potential financial impacts.

Two scenarii were used to identify relevant C&E risks and sensitive portfolios/sectors (one to assess transition risks and the other to assess physical risks):

Scenarios	Narrative and Transmission channel
Belgian CORE-95 climate transition scenario	The transition risk scenario relies on the federal transition plan for reaching climate neutrality in Belgium. The scenario is labelled "CORE 95" and leads to a reduction in GHG emissions of about 95% in 2050 with respect to 1990 and to so-called negative emissions of about 5% of 1990 GHG emissions, thereby leading to climate neutrality by 2050. Since this is an ambitious target requiring significant efforts from individuals and companies, it entails high transition risks.
RCP 8.5 Hot house scenario	The hot house world scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperatures thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. This scenario was chosen in order to assess the potential impact of climate change on Belfius' activities in the "worst case" physical risks scenario

Further, more targeted scenarios (focusing on the most material risk drivers) were used to assess certain risk dimensions through sensitivity analysis. The following table summarizes the type of assessments per risk category. The assessments are detailed in the following chapters, except for the assessment of non-financial risk, which is detailed in the section non- financial resilience analysis (2.3.2).

	Assessment type	Analysed Areas
Credit Risk (Enterprises & Entrepreneurs)	Exposure Analysis and Scenario driven sensitivity analysis	Loans and investment portfolios
Credit Risk (Individuals)	Scenario driven sensitivity analysis	Mortgage loan portfolio
Market Risk	Scenario driven sensitivity analysis	Trading book portfolio
Liquidity Risk	Scenario driven sensitivity analysis	Liquidity, buffer, funding access & cost
Strategic and Business Risk	Expert-based risk cartography	Competitive position, strategy, partnerships and governance
Non-Financial Risk	Expert-based risk cartography	Own assets, operations and third parties.

A1 Credit Risk Climate assessment

CERMA for non-retail credit portfolios

The assessment performed on the non-retail portfolio relies on an exposure-based analysis combined with a sensitivity analysis. The analysis makes use of external climate-related and environmental expertise to determine the most relevant risk drivers in the geographies in scope (i.e. mostly Belgium as the vast majority of lending exposures is to Belgian counterparties). The assessment is carried out at sectoral level in the short, the medium and long term and is based on a bottom-up approach in which the results of a sensitivity analysis performed by internal risk experts on a representative sample of counterparties per economic sector are dynamically extrapolated.

CERMA for mortgage credit portfolios

The assessment performed on the mortgage portfolio relies on a scenario analysis. The scenario takes into account the most material transition risk (mandates and regulation) and physical risk (flooding). Stress on Probability of Default (PD) and Loss Given Default (LGD) is applied to identified risk clusters within the mortgage pool.

1. PD can be affected through the required investments to be made by individuals to perform renovation work in order to improve energy performance of their houses in line with regional policies.

2. LGD is impacted through a decrease in collateral valuation due to low energy performance and/or being located in a flood prone zone.

Scenarios	Narrative and Transmission channel
Scenario 1	Application of a stress on PD on short/medium time horizon and long-term horizon based on the required investments to be made by households to perform renovation works to improve the energy performance of their houses in line with regional policies, considering the financial capacity of each borrower.
Scenario 2	Application of a stress on LGD on short/medium time horizon and long-term horizon based on increased collateral value haircuts to account for the negative house market value impacts of both poor energy performance and location in a flood prone zone.

A2 Strategic and Business Risk Climate assessment

The assessment is a qualitative expert-based analysis, performed on the following vulnerability clusters:

- Competitive positioning of the bank
- Design and implementation of the strategy
- Business and strategic partnerships
- Governance

It assesses the risk of loss of customers, market shares and revenues associated with an evolution of the business environment and the (lack of) actions and commitments taken by Belfius Bank.

A3 Market Risk Climate assessment

C&E risk drivers can have a significant impact on the value of financial assets. Specifically, physical and transition risks can alter or reveal new information about future economic conditions or the value of real or financial assets, resulting in downward price shocks and an increase in market volatility in traded assets. In addition, they could also lead to a breakdown in correlations between assets, reducing the effectiveness of hedges and challenging banks' abilities to actively manage their market risks.

The following scenarii have been designed to assess the level of materiality of C&E risks on the market risks, as these were considered relevant for Belfius Bank's portfolio.

Scenarios	Narrative and Transmission channel
Scenario 1	Impact of increasing carbon prices (spot & future prices);
Scenario 2	Impact of a BE/EU Inflation differential due to important discrepancies in the state of transition between Belgium and the rest of Europe;
Scenario 3	Impact of physical risk events on forex rates
Scenario 4	Impact of increasing stock price/dividends on volatility
Scenario 5	Impact of C&E risks on the value of the corporate & sovereign bond portfolio (through credit & Correlation Trading Portfolio spreads)

A4 Liquidity Risk Climate assessment

Although there is limited research on the impact on C&E risks drivers on liquidity, it is now becoming clearer that material C&E risks could cause net cash outflows or depletion of liquidity buffers. The effects on Belfius Bank's balance sheet are expected to be transmitted through loans and deposits, drawdowns on credit and liquidity lines and access to (and cost of) funding.

The analysis performed in the context of this materiality assessment is scenario-driven and relying on multiple assumptions regarding, among others, the sensitivity of deposits, regulatory developments regarding collateral eligibility and evolution of market preferences.

The following scenarii have been designed in order to assess the level of materiality of C&E risks on the liquidity risks:

Scenarios	Narrative and Transmission channel
Scenario 1	Renovation costs driven by the transition impacting deposits, loans and credit lines
Scenario 2	C&E-related reputational issues impacting the volume of loan production and deposits;
Scenario 3	Financing construction and repair of damages following adverse physical events;
Scenario 4	Tightening of eligibility criteria for collateral and higher haircuts on marketable securities impacting market funding & liquidity buffer.

b. Climate stress test for credit risk

In order to better grasp the transmission channels of climate risks and quantify their potential impacts on the evolution of the risk profile of its loan and investment portfolios, Belfius Bank has developed several simulation tools and performed dedicated stand alone climate stress tests.

Climate stress testing for non-retail credit portfolios

Belfius Bank developed a cashflow simulation tool to assess the financial impact of climate transition risks on its business and corporate customers and investees.

The cash flow simulation tool projects the impact of climate risk factors (such as higher CO_2 and energy costs or required green transition investments) on the financial statements of (mid)corporates. Three horizons were contemplated: short term (up to 2026), medium term (2026 to 2030) and long term (2050).

The first exercise focused on 4 most transition-sensitive sectors based on the outcome of the CERMA taking into account Belfius Bank's exposures: Manufacturing, Energy, Construction and Commercial Real estate. A focus was also done on UK Water & Gas to cover the run-off bond portfolios whose maturity is significantly longer than other asset classes. In discussion with business lines experts, approximately 10 representative companies per sector were selected and analyzed individually.

Two climate scenarii derived from NGFS have been investigated:

Scenarios	Narrative and Transmission channel
Current Policies Scenario	Current Policies scenario (representing low transition risk), where existing climate policies stay in place, however with no strengthening of the ambition level
Net zero Scenario	Net zero scenario (representing high transition risks), where ambitious climate policies are implemented to reach the goals of carbon neutrality and limit global warming

Climate stress testing for mortgage credit portfolios

Belfius Bank developed a climate risk assessment and simulation tool for mortgages. The tool forecasts the evolution of the risk profile of the mortgage loan portfolio (both asset value and client creditworthiness) taking into account the most prevalent transition and physical risks according to the CERMA:

- The transition risks' assessment focuses on the analysis of the impact of EPC ratings, energy prices, and renovation pace on asset value and client creditworthiness under three different transition scenarios (Realistic base case, Net-Zero, and Delayed transition with a focus on the Realistic and Net-Zero scenario).

- The physical risks assessment focuses on flood risks in Belgium. The real estate assets used as collateral have been geo-localized and mapped to the latest available regional maps on flood risk exposure and severity. Haircuts have been applied to the value of the buildings located in medium-high risk zones.

The transition pathways considered are aligned with NGFS long term alternative scenarios reflecting the impact of slow and fast transition towards the 2050 net zero point. Simulations are therefore carried out from a long-term perspective, but the main focus has been on short-medium term impact until 2030.

Scenarios	Narrative and Transmission channel
Realistic Base Case	This scenario assumes climate policies are introduced early and become gradually more stringent.
Net Zero (science-based targets) scenario	Ambitious scenario where the market drastically evolves over the next 5 years.
Delayed Transition scenario	This scenario explores higher transition risk due to policies being delayed. The market does not evolve significantly up to 2030.
Flood risk assessment	Instantaneous variations of asset market value based on flood risk zones, with several levels of severity

C. ESG score

To objectively assess the ESG profile of non-retail clients, Belfius Bank has also developed an ESG Score, for corporates with more than 10 million turnover. The goal of this score is to collect information and to understand the strengths and weaknesses of clients in the area of sustainability and to assess client's ESG performance (which, in turn, enables Belfius Bank to estimate its own vulnerability to ESG risk drivers). This ESG score is independent from the credit risk rating (for now).

The objective of the ESG score is to capture the following 7 metrics into a single numerical score:

1. Client Consciousness: Measure how aware the client is of ESG and the related impacts, risks and opportunities it can have on its business

2. Client Exposure to ESG Risks: Measure how exposed the client is to potential ESG risks such as the introduction of increased carbon emission taxes

3. ESG Maturity of the Client: Measure how mature the client is in their transition towards a more sustainable business model

4. ESG Risk Mitigation: Measure the ability and willingness of the client to mitigate ESG related issues

5. Overall ESG Performance: Measure a client's performance, both historically and currently.

6. Benchmark Position: Compare a client's ESG performance to its peers or industry standards to determine its competitive advantage

7. Future Looking: Consider the client's future plans and goals to reflect its commitment to long-term sustainability, its potential for growth in ESG performance, and its proactive approach to managing financial risks.

The input data are gathered via a questionnaire completed by the client. This process is thus incorporated in a dialogue where customers are invited to reflect on their practices and communicate encountered challenges and (financial) support needs.

The selection of the KRIs is based on expert judgement and is in line with the most common parameters used by the EBA for identifying and measuring ESG risks. Each KRI has a predefined allocated weight, based on expert judgement and in line with the importance of that specific topic for Belfius Bank. Some of the KRIs are subdivided in general vs sectorial to allow Belfius Bank to compare the counterparty to an appropriate benchmark. There are two types of KRI: quantitative KRIs (the amount of CO_2 emissions, energy consumption, etc) and qualitative KRIs that capture other data, like the existence of dedicated policies, transition plans or carbon footprint reduction targets and 'trends', namely historical evolutions of the quantitative metrics, such as the trend in energy consumption for example. As the model will be continuously evaluated and improved, the KRIs and their weights can be adjusted if necessary.

As of 31/12/2024, the ESG (risk) profile of around 400 companies/groups has already been evaluated.

Similar internal scoring methodologies have been developed specifically for Financial Institutions and Sovereigns as well.

2.3.1.1.2. Results of risk identification and assessment

The overall outcome of the assessments shows that although C&E risks are deemed material, the potential financial impacts stemming from those risks for Belfius Bank remain fully manageable, even in the long term, especially taking into consideration existing and future mitigating actions.

a. Identification of relevant C&E risks

Starting from a long list of 46 risk drivers (of which 33 for physical risk and 13 for transition risk), based on EU Taxonomy, UNEP FI and TCFD sources, Belfius Bank selected the most prominent C&E risks for its portfolios and geographies (mainly Belgium as this is Belfius Bank's core market). For the selection, both likelihood and impact severity have been accounted for. This led to a selection of 13 main transition risks and 17 main physical risks drivers, for which in-depth analyses on transmission channels and impacts have been conducted.

In the future, the exercise will gradually be refined as data availability improves and methodological best practices emerge. This could lead to changes in selected material risk drivers or identified sensitive portfolios/sectors.

<u>A1 Physical risks</u>

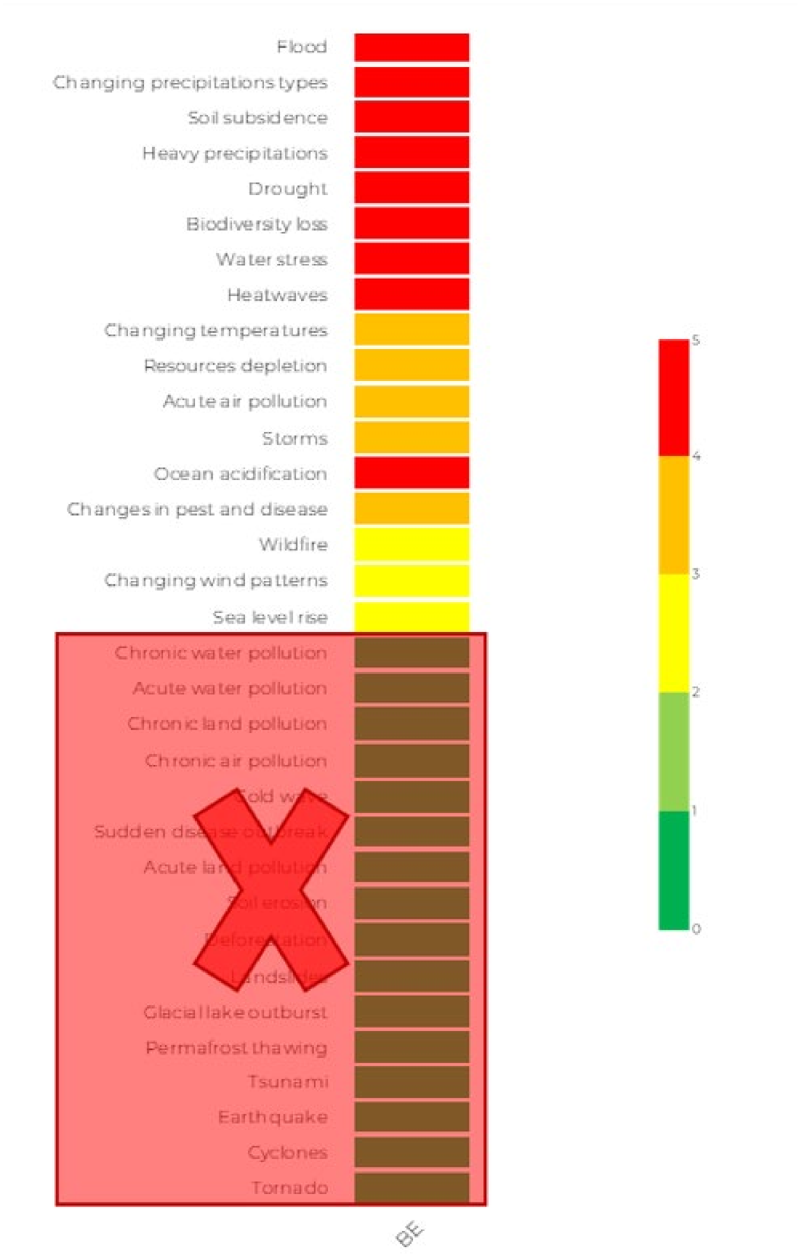


Figure 1 List of 33 physical risk drivers with their likelihood (ranked from 0 to 5) for most relevant country for Belfius Bank

Table 1 Physical risks likelihood scale definition

Score	Likelihood	Description for acute hazards (CDP-based definition)	Description to assess future likelihood (IPCC-based definition)	Description for chronic hazards (Expert Assessment)
1	Very Low	Once every 10 years	Not relevant for the observed regions	The critical threshold won't be exceeded during this century
2	Low	Once every 5 – 10 years	Observed with medium to high confidence of decrease	The critical threshold will be exceeded in the following decades
3	Medium	Once every 1 – 4 years	Observed with medium to low confidence of increase in frequency and intensity	The critical threshold will be exceeded in the following 5 - 10 years
4	High	Annually	Observed with medium to high confidence of increase in frequency and intensity	The critical threshold will be exceeded in the following 1 to 4 years
5	Very High	Several times each year	Observed **upward trend with high confidence** of increase in frequency and intensity	The critical threshold has already been exceeded (this scale gives an indication of when a critical threshold will be exceeded permanently = no return to previous levels is expected in the following decade)

A2 Transition risks

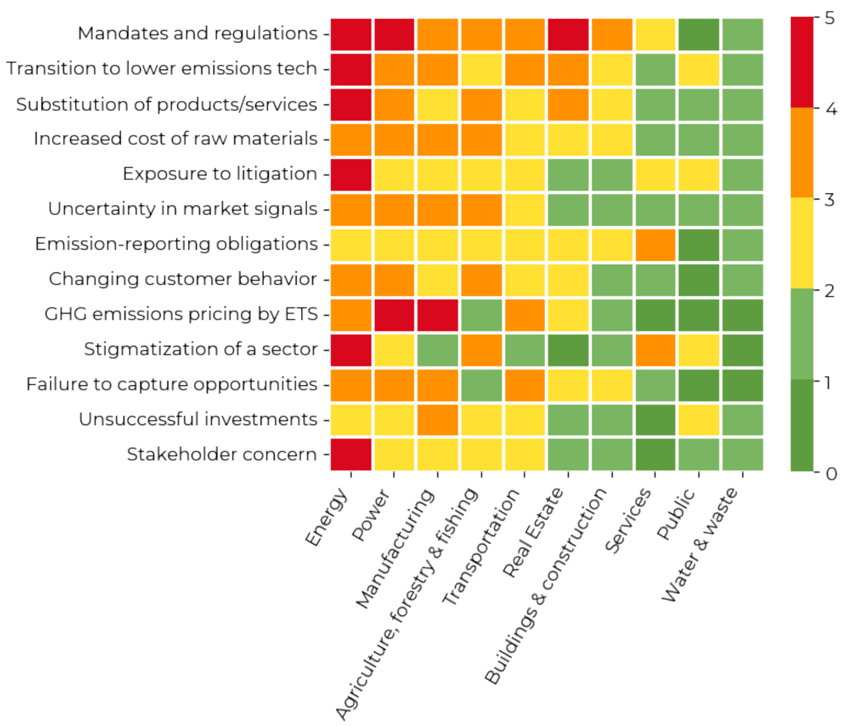


Figure 2 List of 13 transition risk drivers with their likelihood (ranked from 0 to 5) for most relevant sectors for Belfius Bank

Table 2 Transition risks' likelihood scale

Score	Likelihood	Policy and Regulation (Expert research-based)	Market, technology and reputation (UNEP FI and Expert research-based)
1	Very Low	Not in discussion	The sector will not be affected in the next decade due to very low sensitivity (would not be impacted compared with other sectors) to market or technology shifts or reputation issues in comparison with other sectors.
2	Low	Discussed	The sector is not likely to be affected in the next decade due to low sensitivity (would not be impacted compared with other sectors) to market or technology shifts or reputation issues.
3	Medium	Planned for the following years	The sector is likely to be affected by market or technology shifts or reputation issues in the following years due to moderate sensitivity to such events (could be more affected compared to other sectors).
4	High	Planned and announced for the following years	The sector is very likely to be affected by market or technology shifts or reputation issues in the following years due to high sensitivity to such events (will be highly affected compared to other sectors).
5	Very High	Already in place and about to be strengthened	The sector is already affected by market or technology shifts or reputation issues and has a very high sensitivity to such events (the sector is very highly affected compared to other sectors).

As Belfius Bank considered three different time horizons (short-term: up to 2026; medium-term: from 2026 to 2030; long-term: until 2050), Belfius Bank identified a risk of increasing climate-related and environmental risks over longer horizons, especially for physical risks. The events' probabilities and their impacts are largely dependent on the speed and scale of the implementation of transition policies and adaptation measures. Therefore, the importance of drivers and transmission channels will be regularly revised to account for policy, technological and societal evolutions.

b. Assessment of the impact of selected C&E risks

The results of the CERMA are presented in the table below. This should be seen as a relative ranking: in absolute terms, even the credit risk impacts (deemed the most material), remain fully manageable as the assessment does not account for existing or future risk mitigating measures.

Details on the assessment of the materiality of C&E risks for each prudential risk category are available in the next sections. The analysis on non-financial risk is detailed in the operational resilience analysis part of this report.

Risk type	Materiality level ranking	Assessment
Credit Risk	Significant	New policies and regulations, carbon pricing mechanisms and technology shifts may lead to a decrease of revenues and an increase of operational expenses and capital expenditures for companies active in the most climate sensitive sectors, which is susceptible to deteriorate their risk profiles and could entail rating downgrades for some of them, resulting in a rise of the cost of risk and the risk weighted assets. The impact is measured on the CET1 ratio.
Strategic and Business Risk	Moderate	Not developing sustainable products at the same pace as Belfius' competitors, not implementing the right strategy to account for changes in Belfius' business environment or being perceived by the market as not meeting its commitments could entail a loss of customers that could affect the overall profitability of Belfius and could translate in the presence of a higher share of customers with elevated risks within our portfolios.
Non-Financial Risk	Moderate	Physical risks could cause disruptions of Belfius' own operations or of Belfius' suppliers/third parties/partners' business. While execution risks are expected to peak in the medium term, the required substitution of existing products and services by low emissions alternatives is expected to affect Belfius' activities in the longer term. Legal and reputation risks also require attention and could reduce investor interest and talent retention.
Market Risk	Limited	The limited exposure of Belfius to some risk factors, the very short liquidity time horizon of Belfius' positions and the possibilities to hedge most risks greatly reduce the risk that C&E risks drivers could lead to large devaluations of assets and negative P&L impacts.
Liquidity Risk	Limited	Although several C&E risk drivers could cause non-negligible outflows of deposits and a material depletion of Belfius' liquidity buffer, the fact that they would be spread over time and not be abrupt, explains that impacts are deemed manageable.

Although the assessment's outcome accounts for the potential decline in credit quality due to the assessed C&E risks, the financial impacts on Belfius Bank should remain limited, even in the long term. As impacts should only materialize gradually, management actions will be taken in the meantime in order to maintain a sound low-profile balance sheet while supporting future earning capacity.

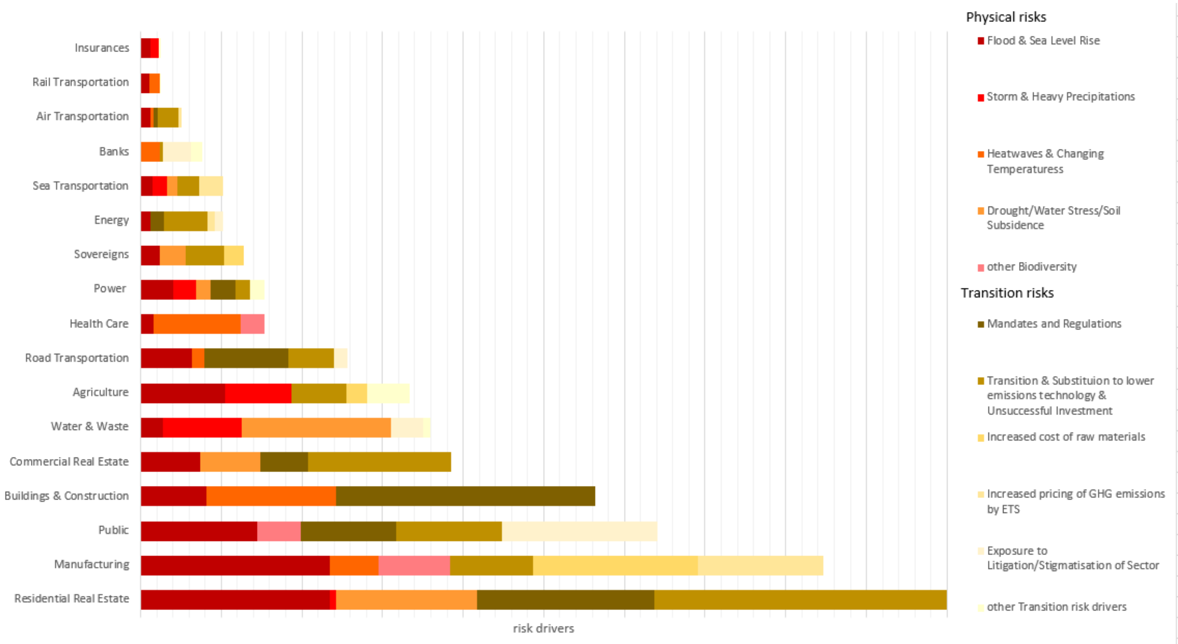
Mitigating actions and strategy adjustments are already considered for the identified risks and will be further developed for residual risks. This includes the materialization of Belfius Bank's commitments to support the Belgian transition, and the attention paid to the composition of Belfius Bank's portfolio to lower the exposure to C&E risks. This strategy also includes a focus on - and support to - encouraging counterparties to develop clear transition pathways and implement adaptation and mitigation measures against physical risks. This will involve conducting an in-depth analysis of individual practices within a sector, starting from the areas of higher risks according to the CERMA.

More information on Belfius Bank's current mitigation actions can be found in section 2.3.1.1.4 "Mitigation Action"

B1 Climate resilience analysis on credit risk

CERMA for non-retail credit portfolios

The exposure analysis of CERMA looked at each sector individually. The following graph summarizes the risk drivers impacting each sector and their relative importance.



The impact of transition risks is considered to be the most important due to the mandatory alignments with transition policies requirements, technological shifts (substitution of carbon intensive products by low-carbon alternatives), carbon pricing mechanisms, the increase of raw material prices and the implementation of more stringent Energy Performance Certificate (EPC) regulations that will force households and companies to renovate their buildings.

The impact of physical risks could be important as well, especially in the longer term and even more in the absence of policies' effectiveness to mitigate global warming. The main risks in Belfius Bank's geographical markets are water-related risks such as floods and heavy precipitations; temperature-related such as heatwaves, changing temperature, drought and water-stress, as well as storms.

The expected credit risk impacts per sector and per time horizon (short-term up to 2026), medium term (2026 to 2030) and long term (2050) taking into account the specificities of Belfius Bank's portfolio (i.e. companies' activities within their sector, companies credit quality and size of exposures per sector), based on current credit portfolio composition are detailed in the below table for transition and physical risk:

	ST	MT	LT
Residential Real Estate	o	o	oooo
Manufacturing	o	o	oooo
Public	o	oo	oooo
Buildings & Construction	o	o	oooo
Commercial Real Estate	o	ooo	ooo
Water & Waste	o	o	ooo
Agriculture	o	o	ooo
Road Transport	o	o	oo
Health	o	o	oo
Power	o	oo	oo
Sovereigns	o	o	oo
Energy	o	o	o
Sea Transport	o	o	o
Banks	o	o	o
Air Transport	o	o	o
Rail Transport	o	o	o
Insurance	o	o	o

The number of o indicates the relative magnitude of impact per sector

- On the longer term, the sectors that require most attention are thus, in descending order:

    - Residential Real Estate and Building & Construction: these sectors are substantially material for Belfius Bank in term of exposure and are facing transition risk (new EPC regulation) as well as physical risk.
    - Manufacturing: the sector is exposed to significant transition risk (technology switch, resource scarcity)
    - Public sector: public authorities can be impacted both directly (through required infrastructure investments among others) and indirectly (through the support they give to companies and households in the form of subsidies,…) by climate risk which lead to some particular challenges in term of methodologies and data availability to conduct an adequate climate impact assessment on this sector.

- Other sectors that could face significant impacts in the longer term include Commercial Real Estate, Water & Waste and Agriculture.
    - For Commercial Real Estate, the sensitivity to climate risks is high (see Real Estate above) but somewhat mitigated by:
        - The impact of ESG factors on the market value of financed buildings and buildings held in collateral should remain limited as half of the CRE portfolio is composed of real estate development companies and thus buildings showing excellent energy efficiency.
        - Belfius has launched several initiatives to enhance the resilience of this lending portfolio, including increasing the collateral coverage, ensuring adequate provisioning, designing new RAF limits and strengthening both its credit acceptance criteria and its credit monitoring process.
    - Water & Waste: the sensitivity to climate risk is high for this sector due to Belfius Bank's important exposures on the water utility sector (especially in the run-off portfolio) and exposure of the sector to physical risks. Risks for Belfius Bank are however partially mitigated as part of the credit risks are insured.
    - Agriculture: Belfius Bank direct exposure to this sector is low, however the very high sensitivity of this sector to climate risk could affect Belfius Bank's portfolio through indirect impacts and second round effects.

- Given the specificities of Belfius Bank's portfolios, credit risk impacts on Belfius' exposure to the Power generation sector (high share of renewable energy in the portfolio and its high credit quality), Health services (mitigated by public authority protection), Road transport (strong mitigation and adaptation measures taken by Belfius Auto lease) and Sovereigns (exposure mostly towards European sovereigns) is expected to remain moderate.

- Anticipated credit risk impacts on Belfius Bank's exposures to Energy, Air and Sea transport should stay rather limited as Belfius has relatively small exposure to these sectors.

CERMA for mortgage credit portfolios

The results of the CERMA analysis regarding flood risk, performed in 2023 and updated in 2024, showed that the share of Belfius Bank's mortgage exposures collateralized by buildings located in medium or high-risk zones is very limited.

The preliminary impact assessment regarding transition risk shows that mortgages for houses with bad EPC labels can be considered as potential risk pockets both from an asset value and from a credit worthiness perspective, especially when the green transition is accelerated. This assessment was complemented with a socio-economic analysis aimed at identifying the proportion of customers who might struggle to finance required energy renovations. The results of this high-level study (that should be interpreted with caution given the use of assumptions and certain data availability limitations) indicate that those households could represent around 20% of Belfius Bank's customers. Belfius Bank is willing however to take a combined social and climate approach and is investigating ways to support vulnerable households in the transition.

<u>B2 Climate resilience analysis on strategic and business risk</u>

The results of the materiality assessment highlight the expected impact of following transition risk drivers on strategic and business risks.

- Market disruption could lower revenues and overall profitability if Belfius Bank fails to respond to the growing demand for ESG-related products.
- The risk driver Policy & Regulation is also very relevant if Belfius Bank fails to meet reporting obligations and prudential requirements.
- Belfius Bank also faces Reputation risk from its financing activities and from the level of effort put forward in supporting the transition.

The impact is expected to already materialize in the short term for certain risk drivers (e.g. market disruption and policy and regulation), further increasing in the medium and long term (also reputation and technology-driven).

With regard to physical risks, Belfius Bank expects to experience a moderate impact from acute weather events such as floods, droughts and storms. Indeed, the implementation of the strategy could be impacted by an increasing number of clients experiencing financial difficulties, further resulting in an impact on profitability and strategy adjustments (second round effects) for Belfius Bank. Acute physical risk events could also impact strategic partnerships, further disturbing (and limiting) their capacity to provide services. The impact is expected to materialize as from the medium term.

Furthermore, the results of the assessment highlight that the importance of the integration of the ESG mindset in the governance cannot be underestimated in ensuring the agility of Belfius Bank's business model and strategy. Belfius Bank also recognizes the importance to invest in data collection, structuring, managing and reporting to enable adequate board oversight around sustainability.

All in all, the results of the Strategic and Business Risks materiality assessment indicates that the materiality of C&E risks on this risk dimension is moderate as new and ongoing initiatives ensure that emerging risk drivers are understood and monitored, that business process and products are being adjusted in line with the strategy and that existing governance process include C&E dimensions.

B3 Climate resilience analysis on market risk

The results of the climate scenarios suggest that the materiality of the C&E risks on the market risk dimension is limited, compared to other, more classic, market risk parameters. First, the small size of the trading book at Belfius Bank (versus peers) explains the relatively low materiality compared to other risk types. Then, the relatively short liquidity horizons of Belfius Bank's market positions implies that there are only a few parameters which can potentially have a material impact on the trading book.

Worth noting is a (potential) limited impact on credit spread and FX volatilities. The impact on credit spread stems from the downgrades of the bond (corporate & sovereign) portfolio resulting from the exposure of counterparties to transition and physical risk drivers. The impact on FX volatility is expected to arise from the increased frequency and severity of physical risk events, and the unequal ability of countries to adequately respond to these events, resulting in real exchange rate shock.

B4 Climate resilience analysis on liquidity risk

Results of the analysis indicate that the largest potential impact on the liquidity position of Belfius Bank could come from the impact of C&E transition risk drivers on deposits. These impact can be triggered by (i) changes in the regulation (linked to the transition) and (ii) market disruption, which could transmit to Belfius Bank through outflows to finance renovation costs or to fund reputational damages etc. While the identified liquidity impacts could be seen as significant, they are not expected to occur abruptly but rather to be phased-in (such as in case of policy and regulation changes) and/or to be spread over time (e.g. renovation works taking place over several years). Changes in regulation and market disruption can also impact market funding and funding costs, namely through higher haircuts (as from 2026) applied by the ECB on repo transactions or tighter criteria for green bond emissions, etc. Again, these changes are expected to occur progressively rather than abruptly, allowing for sufficient time to issue and invest in more ESG-compliant securities.

Physical risks could result in abrupt, unpredictable shocks on Belfius Bank's liquidity position, though this has not been the case until now. Although physical risk events are expected to have a moderate impact market funding in the long-term, this is considered manageable, namely because physical events are supposed to be spread over time.

C. Climate stress testing for credit risk

Climate stress testing for non-retail credit portfolios

The climate stress test exercise explored further the potential financial impact on the 4 most transition-sensitive sectors that were identified based on (1) the CERMA transition risks (MT - 2030) and (2) the exposures within Belfius Bank's portfolio, i.e. Energy, Manufacturing, Commercial Real Estate – and Legacy Run-off (UK Water and UK Gas).

An analysis of these sectors/portfolios has been conducted based on the Net Zero scenario. The findings reveal that direct costs significantly impact the chemical and generator sectors. Indirect costs, on the other hand, affect the steel industry, commercial real estate development, and water utilities. Capital expenditures (Capex) have notable implications for the transmitters sector as well as the water utilities sector. Additionally, revenue demand influences the gas sector, while revenue pricing impacts the development of commercial real-estate.

In terms of risk drivers, corporate investments and evolution of energy prices are the main factors influencing the counterparties' credit quality. CO_2 costs induced by the increase in regulation and taxes are expected to be mitigated by important emissions reductions over time. However, sensitivities to these drivers are very sector dependent. These results are preliminary and will be further refined based on increased data collection.

Climate stress testing for mortgage credit portfolios

The main conclusions of the climate stress testing for mortgages reinforce the findings of the CERMA for mortgage credit portfolios.

The evolution of probability of default and loan-to-value seem highly dependent on the scenario. In particular, the Net Zero scenarios could actually lead to an overall (temporary) increase in capital requirements and cost of risk in the medium term (2030).The "delayed transition" scenario appears riskier than the "net zero" or "current policies" ones, with risks peaking in 2030. The delayed transition scenario undergoes a heavy shock in the long term (2030-2040) which is expected as renovation works are suddenly kicking off at an accelerated pace. It clearly shows that the absence of improvements in the short-term might have unwanted consequences in the longer term if a disruptive catch-up needs to happen.

Moreover, a misalignment between Belfius Bank's EPC targets and achievements could also translate in negative business impacts in terms of achievable volumes/margins. In particular, this could also end up in slower overall improvement of the stock of mortgages at Belfius Bank while leaving some market pockets with less reimbursement/refurbishment capacity unserved, which is a socially undesirable outcome.

2.3.1.1.3. Identification of assets at material risk

Based on the outcome of the CERMA and the Climate Stress Tests , Belfius Bank identified assets at material physical and transition risk within its banking book.

As Belfius Bank's loans and advances exposures are primarily (> 95%) concentrated on Belgian counterparties, the performed analysis specifically target the C&E risks that are the most relevant for Belgium. It should be noted however that this remains a challenging exercise, considering, among others, the lack of reliable granular data. Since screening exercises are constrained by those data limitations, Belfius Bank started by performing top down exercises at sectoral level and prioritizing areas where data was more readily available. Proxy methodologies are also being developed, where possible, to close the data gaps. ESG disclosure are thus expected to gradually evolve and be refined as data availability and quality improves and methodological best practices emerge.

At this stage, quantification exercises focus on the portfolios assessed as being the most subject to C&E risks, being the loans and advances to business and corporate counterparties on the one hand, and the mortgage loans on the other hand.

The below disclosures relate to reference date of 31/12/2024 and are mostly aligned with Pillar 3 ESG Disclosures.

In terms of the expected lifetime of assets, the average weighted maturity of the banking book of Belfius Bank is 7.02 years. The average weighted maturity of exposures towards sectors that highly contribute to climate change is slightly lower, at 6.48 years.

The average weighted maturity of Belfius Bank's loans collateralised by residential immovable property sensitive to impact from climate change events is 15.6 years. For loans collateralised by commercial immovable property sensitive to impact from climate change events, the average weighted maturity is much shorter, at 5.5 years.

a. Assets at material physical risk

The most prominent physical risk driver in Belgium is flood (acute physical risk).

Exposure amounts are considered prone to flood risk when they relate to loans whose repayment is secured by immovable properties located in a "medium" or "high flood risk area". Assessments are made by mapping the location of the residential and commercial real estate assets held as collateral with the latest available regional maps on fluvial, pluvial and coastal flood risk existence and severity (maps drafted in application of the European Flood Directive 2007/60/EC). Since hazard and probability levels used in the regional flood maps differ, they had to be homogenized (regrouping comparable return periods and flood depths). In case a loan is collateralized by several real estate assets, part of the exposure is allocated to each collateral in function of that collateral's value.

As the regional maps have to be reviewed every 6 years, changes linked to the increase or decrease of flood prone zones might induce a certain volatility in the figures. The integration of a more forward-looking approach in the future and the use of adverse climate scenarios might also lead to variations in figures.

The table hereunder contains figures representing the gross risk before any mitigation action. It should be noted however that the residual risk is expected to be much lower given a vast majority of Belgian households (around 90%) are insured against floods through their home insurance. Contracting such an insurance is a mandatory requirement for each borrower wishing to be granted a mortgage loan at Belfius Bank. The fact that the anticipated financial impact for Belfius Bank should remain quite limited is evidenced by the insignificant financial repercussions of past flood events (including the floods that occurred in July 2021 and ranked among the worst natural disasters faced by Belgium with insurance claims above EUR 2 billion): the number of requests for payment moratoria were very low, no provisions were deemed necessary and the value of the affected houses did not seem to suffer a long lasting hit.

The share of loans vulnerable to flood risk remains stable over the years.

Assets at Material Physical Risk – Loans collateralized by immovable properties	**2023**	**2024**
Assets at material physical risk before considering climate mitigation actions (millions of EUR)	1,370	1,622
Assets at material physical risk before considering climate mitigation actions (%)[(6)]	2.27%	2.58%
Gross Carrying amount as per Financial Statement (millions of EUR)	60,351	62,747

Belfius chose not to disclose information on datapoints relating to assets at chronic material physical risk and the (percentage of) net revenues from business activities at material physical risk. Currently, the data required to disclose this datapoint is not sufficiently available and granular, and the methodology to obtain the requested results is not mature. However, a phase-in approach for the datapoints is foreseen and they will gradually be disclosed in future reports. Also, Belfius chose not to disclose the location of significant assets at material physical risk.

b. Assets at material transition risk

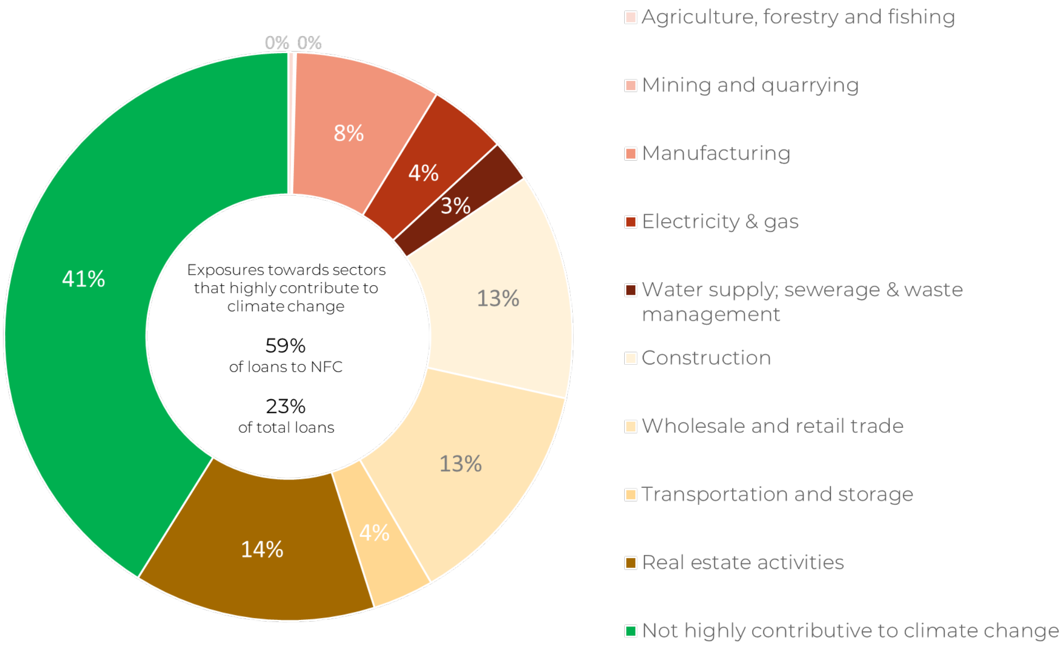
B1 Loans and advances to business and corporate counterparties

Since 2022, Belfius Bank monitors the share of climate sensitive exposures within its banking book (by comparing the amount of those loans against the total amount of its loans and the amount of its loans to non-financial corporations).

Exposure amounts are considered climate sensitive when they relate to loans towards companies belonging to a sector deemed highly contributing to climate change. Assessments are made by mapping the principal activity of the company to the NACE classification (which is a classification of the economics activities in the European community). All NACEs from A to H (Agriculture to Transportation and storage), as well as NACE L (Real-Estate activities), are considered "highly contributing to climate change" according to the definition of "high climate impact sectors" foreseen under the ESRS guidelines[23]).

It should be noted that this is top down exercise that does not take into account potential large difference between firms' sustainability profiles, such as companies' products, processes and technologies, companies' specific strategies and dynamics over time. Ongoing bottom up analysis (based, among others, on the ESG score of each company) should enable Belfius to identify, within each sector, best and worst performers and thus reduce the exposure amount at real risk.

The proportion of climate sensitive loans[8] compared to total loans is currently at 23%, and is globally unchanged compared to 2023 (23%) and 2022 (22%).



Within climate sensitive exposures, Belfius Bank specifically monitors the share of its exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation. This corresponds to companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite; companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels; companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO_2 e/kWh and companies that are found or estimated by them or by external data providers to significantly harm one or more of the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council, in accordance with the rules on estimations laid down in Article 13(2) of this Regulation. Assessments are made by mapping the principal activity of the company to a NACE code. Revenues breakdown by activity are provided by an external data provider. When no breakdown is available, Belfius Bank applied a prudent approach by adding the counterparty in the categories based on its official NACE code.

The table hereunder contains figures representing the gross risk before any mitigation action.

[23] Increase mainly related to data quality enhancement
[7] See Table 2 of Annex II of the ESRS Standards, referring to Commission Delegated Regulations 1893/2006 and 2022/1288. This definition, differs slightly from the definition used for the PIII ESG disclosures. In the former, sector I - Accommodation and food service activities, is not considered as highly contributing to climate change. In the latter, this sector is considered as highly contributing to climate change.
[8] FINREP figures are used to calculate the proportion of climate-sensitive loans. These figures are limited to loans & advances, whereas PIII figures on exposures towards sectors that highly contribute to climate change also include debt instruments.

Assets at Material transition risk – Banking book	2023	2024
Assets at material transition risk before considering climate mitigation actions (millions of EUR)	1,512	1,502
Assets at material transition risk before considering climate mitigation actions (%)	3.29%	3.11%
Gross Carrying amount as per Financial Statement (millions of EUR)	45,938	48,286

B2 Loans collateralized by immovable properties

Since 2021, Belfius Bank has actively been collecting the energy performance certificate of the residential and commercial real estate assets held as collateral from its customers due to the fact that Belgian banks, unlike some of their European peers, have not been granted access to the regional EPC registers.

The evolution of both the availability of real/reported data and the distribution of the energy performance scores is monitored via dedicated key risk indicators. Belfius Bank specifically monitors the share of its exposures collateralized by immovable properties showing a very bad energy efficiency score.

1) Energy Efficiency of Residential Real Estate Assets

Belfius has already collected energy performance certificates for 40.8% of its stock of loans collateralized by residential real estate.

The category "buildings under construction" and "new buildings" were not automatically assigned towards the buckets in case EPC labels were not available yet. It should be noted however that excellent energy efficiency might be assumed for those properties, considering the minimum legal requirements in this field

In the cases where Belfius Bank lacks this data, a workaround was set via a proxy tool provided by a third party that estimates the energy efficiency of the building based on its address and other known characteristics such as the building type (house, apartment,...), its construction year and surface. This proxy has been used to classify 43.3% of its portfolio, the energy performance of the remaining 15.9% still being unknown for the moment.

2) Energy Efficiency of Commercial Real Estate Assets

The coverage of commercial real estate is much lower, as it is often not subject to a legal obligation of performing an energy audit. Belfius believes the estimation methodologies for such buildings are not yet mature and/or reliable enough, preventing us from using proxies for those types of assets at the current time.

3) Mortgage exposures at material transition risk

Belfius considers a combination of energy performance and loan-to-value criteria to identify exposures at material transition risk. Mortgage exposures with a high Loan-To-Value ratio (LTV > 80%) showing poor energy efficiency (>400 kWh/m²) are deemed to be the most sensitive assets and are highlighted in red in the below table. In total 3.82% of the mortgage loans (on a total of EUR 42,428 million) is thus currently considered as risky.

Mortgages –
Energy Efficiency Breakdown and share of sensitive assets

(in millions of EUR)		Level of energy efficiency (EP score in kWh/m² of collateral)						Without EP score in kWh/m² of collateral
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
Mortgages	LTV < 80%	3,046	5,939	6,462	4,992	4,008	6,162	5,933
	LTV >80%	420	1,029	1,182	939	644	977	695
Of which Level of energy efficiency (EP score in kWh/m² and EPC label of collateral) estimated		1,847	3,080	3,852	3,064	2,680	3,904	

Belfius chose not to disclose information on datapoints related to the (percentage of) net revenue from business activities at material transition risk and from customers operation in coal-related, oil-related or gas-related activities. Currently, the data required to disclose this datapoint is not sufficiently available and granular, and the methodology to obtain the requested results is not mature. However, a phase-in approach for the datapoints is foreseen and they will gradually be disclosed in future reports.

2.3.1.1.4. Mitigation Action

The outcome of the financial resilience analysis exercises helps Belfius Bank prioritize actions while feeding its business and sustainability strategy, which is being reviewed towards 2030. This includes decisions on how to ensure sustainable growth, the identification of the most valuable products and service offerings, and the possible influence on pricing, as well as the adaptation and mitigation activities that should be pursued.

Integration of ESG in Risk Management

ESG considerations have become an increasingly integral part of Belfius Bank and Belfius Group's risk management framework since 2020. Belfius Bank is embedding ESG, and particularly climate risks, into its existing risk management processes: risk mapping, risk taxonomy, materiality assessments, Risk Identification and Control Assessment Process (RICAP), Self-Assessment of Risks and Internal Controls (SARIC), approval processes, stress tests, and risk appetite. ESG is positioned as a risk driver of credit, market, operational, strategic, business, reputational, and legal risks in Belfius Bank's risk inventory since 2021, and ESG risks are explicitly mentioned in Belfius Bank's Risk Culture Policy and Risk Charter.

Dedicated surveys have also been carried out to ensure the proper identification and assessment of ESG-related risks across the three lines of defense over the entire organization. Additionally, dedicated programs and committees have been set up, including an ESG Data Program (describing how ESG data is collected, ingested, processed, stored, governed, controlled and distributed and how data gaps are identified and filled via proxies and estimations), an ESG Regulatory Watch (discussing new ESG-related legislation, market trends and litigation examples) and an ESG Models Steering Committee (where the evolution of the ESG Scores, the climate risk assessment, simulation and projection tools and the stand alone climate stress tests is discussed).

As sustainability dimensions have gradually been included in business practices for all Group activities these past years, Belfius Bank decided to go further in 2023 and draft a dedicated ESG Risk Management Framework to better frame the management of ESG risks within the organization.

ESG Risk Management Framework

Belfius Bank has established an ESG Risk Management Framework that serves as the cornerstone of its commitment to sustainability, addressing a wide array of climate, environmental, social, and governance issues. This policy (approved by the Board of Management) reflects its strategic ambitions and outlines how ESG risks are identified, assessed, quantified, mitigated, managed, monitored and reported. It provides a summary of the tools, methodologies and processes currently used by Belfius.

It is integrated into the governance of all subsidiaries within the Belfius Group. By applying a proportionality principle, the framework is tailored to the unique ESG-related challenges and opportunities faced by each subsidiary, ensuring relevance and effectiveness across the organization.

The responsibility for executing this policy lies with the business lines, which form the first line of defense.

It is periodically reviewed to reflect the latest requirements regarding the management of ESG risks, including supervisory expectations and new EBA guidelines.

ESG Action Plan

Belfius Bank has also designed an ambitious multi-year action plan, updated on a yearly basis, aimed at aligning its practices with the expectations set by the ECB in it "Guide on Climate-related and Environmental risks" published in November 2020. The timely implementation of the critical tasks defined for each quarter is continuously monitored and completion rates are reported to the relevant management bodies.

This plan will be reviewed and adjusted in 2025 to account for the new requirements outlined in the EBA Guidelines on ESG Risk Management published in January 2025, which will come into force as from January 2026.

Governance Structures for ESG Risk Management

To effectively manage ESG risks, Belfius Bank has instituted robust governance structures. Each line of defense takes on its traditional role while extending it to new C&E risk drivers. In order to ensure C&E risks are managed proactively Belfius Bank decided, in 2021, to create an ESG Risk Competence Centre which is in charge of setting up a comprehensive risk management framework in collaboration with other departments. This specialized team sits at the heart of the second line of defense but collaborates with a network of ESG champions across the organization to strike the right balance between expertise, on the one hand, and company-wide ESG integration in day-to-day activities, and practices, on the other hand.

Mitigation of C&E Risks

Belfius Bank has implemented a comprehensive approach to mitigate C&E risks across its operations. Key measures include the Transition Acceleration Policy (TAP), which restricts financing for non-sustainable activities, and the Risk Appetite Framework (RAF), which incorporates ESG-related risk indicators and sets limits on fossil fuel exposures and mortgage loan collateral with poor energy performance. Those limits are defined on a one year horizon and are reviewed each year. They follow the same governance that has been defined for the RAF in general (i.e. thresholds trigger internal escalation to relevant management bodies and corrective actions).

Additionally, the New Product Approval Process (NPAP) ensures that ESG risks are considered at the inception of new products and services.

Specific measures for lending activities include integrating climate risks into the credit process (via, among others, the inclusion of a dedicated section about counterparty-level ESG risk assessments in the credit analysis notes, the definition of specific sectoral credit acceptance criteria and the integration of ESG factors in Belfius' pricing and collateral valuation policies), using an internal credit rating system that considers ESG factors and computing additional sector-specific layers driven by climate vulnerability considerations in the cost of risk computations.

ESG Reportings

Belfius Bank is committed to transparency and accountability, as evidenced by its practice of disclosing both quantitative and qualitative information about the progress of its ESG actions and plans. This information is shared through a blend of internal and external reporting mechanisms, providing stakeholders with a clear view of the Bank's ongoing efforts and achievements in sustainability. While the bank has made significant strides in this area, it acknowledges that there is room for improvement in reporting the specific results of key actions and the provision of remedies for those impacted by material ESG risks.

Performance Metrics and Indicators

To gauge the effectiveness of its ESG initiatives, Belfius Bank employs a range of performance metrics and indicators. These tools are essential for tracking the bank's impact on material ESG issues, risks, and opportunities. By integrating these metrics into the Risk Appetite Framework and Quarterly Risk Reporting, Belfius Bank ensures that its ESG performance is continuously monitored, evaluated, and aligned with its strategic objectives.

Metrics monitored on a quarterly basis include the share of climate sensitive and fossil fuel exposures within its loan and investment portfolios, the share of buildings held as collateral of mortgage loans showing very poor energy efficiency, the distribution of EPC scores across its mortgage loan portfolio and the average energy intensity of this portfolio, the share of buildings held as collateral of mortgage, business and corporate loans at material flood risk, the average ESG scores of rated corporates, the share of customers and suppliers with a very low ESG score, the progress made in collecting key ESG data and implementing its ESG Action Plan, as well as various operational events (such as operational losses, litigation, penalties,...).

International Standards and Ethical Practices

In its pursuit of responsible business conduct, Belfius Bank aligns with esteemed international standards and initiatives, including the International Bill of Human Rights, UN Global Compact and the OECD Guidelines for Multinational Enterprises. This alignment underscores the bank's dedication to ethical practices and human rights, reinforcing its position as a leader in corporate responsibility.

The bank's active engagement with global sustainability efforts is further demonstrated by its support for the Paris Climate Agreement and the Sustainable Development Goals. Belfius Bank not only endorses a variety of sustainability initiatives but also promulgates comprehensive policies that advocate for human rights and responsible investment. These policies are made readily available to all stakeholders, ensuring transparency and fostering an inclusive approach to ESG matters.

2.3.1.2. Financial Resilience analysis for Belfius Insurance

The financial resilience of Belfius Insurance’s activities to climate risks is assessed via the climate risk assessment supplemented by a climate stress test.

The methodology for the climate risk materiality assessment and the climate stress test is explained in the ‘Methodology and assessment’ section (see section 2.3.1.2.1.), while the results are available in ‘Results of Risk Identification and Assessment’ (see section 2.3.1.2.2.). Additionally, the percentages of assets that are exposed to transitional and physical climate risks are reported in the ‘Disclosure of Assessment section’ (see section 2.3.1.2.3.). The mitigation strategies employed by Belfius Insurance are outlined in the last section ‘Mitigation action’ (see section 2.3.1.2.4.).

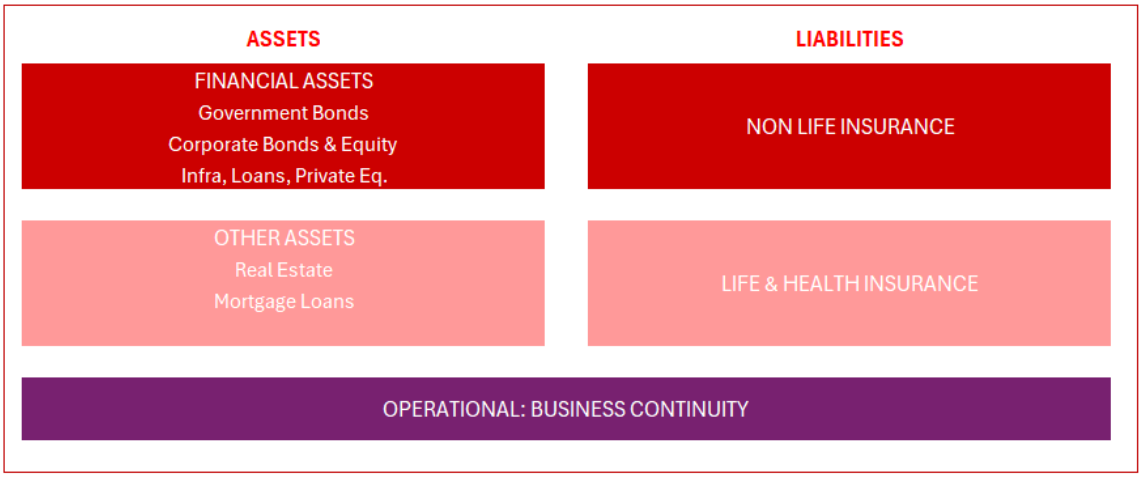
2.3.1.2.1. Scope and methodology of assessments

a. Climate Risk Assessment

Generally speaking, the climate risk assessment is fully updated at least once a year. However, the assessment can be updated more regularly for the activities where the risk level is material and can potentially evolve quickly between assessments.

All categories of assets and liabilities (non-life and life & health), as well as operations may be impacted by climate risks. Therefore, this assessment systematically evaluates the climate risk level for each category separately in the short (0-3 years) and long run (beyond 10 years). Note that Belfius does not have a separate risk score for different horizons, as transition risks can occur at any time and are consequently deemed constant across the short, medium, and long term. However, physical risks are expected to worsen over time. The assessment of the physical risks is done in a "hot house" scenario, while for transition risks, Belfius employs a "disorderly" scenario, both derived from NGFS.

A large part of Belfius Insurance’ assets is liquid, and even long-term assets can be sold before maturity. Strategic planning corresponds to the considered short term assessment.



The assessment process consists of two steps.

In a first step, a high-level risk assessment is conducted, employing available qualitative and quantitative data.

In a second step, for domains of activity where risks are identified as material, complementary analyses are implemented to gain a deeper understanding of the risks. Subsequently, if the risk is confirmed as material, additional mitigation measures and action plans might be requested to manage or reduce the risks.

This comprehensive and proportionate approach ensures that climate risks are effectively and efficiently managed, enhancing the financial resilience of Belfius Insurance.

The method for assessing climate risks helps us systematically determine the level of risk each activity faces due to climate change. Belfius categorizes these risks into four levels: very high, high, medium, and low.

A risk score is obtained by combining three metrics:

- Exposure: relates to the amount of assets and liabilities at risk in case of adverse events.
- Hazard/Event: relates to the probability or gravity of potential adverse events.
- Vulnerability: relates to whether and to what extent adverse events can materially impact the exposure or operations.

These metrics can be assessed using both qualitative and quantitative data. Although Belfius strives to base its assessments on facts and figures, expert judgment also plays a role.

The effort required for a vulnerability assessment depends on the scores for exposure and hazard. If both exposure and hazard are low or medium, the final risk score will not be significant, and a detailed vulnerability assessment is not necessary. The vulnerability assessment is specific to each domain of activity and individual exposure.

By using this structured approach, Belfius gains a better understanding of the climate risks affecting its activities and can take the necessary measures to manage these risks.

b. Climate Stress Test

The climate risk assessment is complemented by a climate stress test exercise. The goal of the stress test is to verify the resilience of the company to a severe plausible climate stress scenario.

This climate stress test is performed using a specific custom-built scenario inspired by scenarios provided by the NGFS or other national supervisory authorities. The primary objective of this test is to evaluate the impact of the stress scenario on the solvency of Belfius Insurance.

The climate stress scenario storyline is the following one:

It starts with a catastrophic climate event of exceptional magnitude: unprecedented storms leading to deadly floods in Northern Europe. This event triggers an abrupt implementation of new transition regulations at European level penalizing severely Greenhouse Gas (GHG) emitters. These regulations are pushed by public opinion voicing for immediate changes, leading to a rapid but disorderly transition.

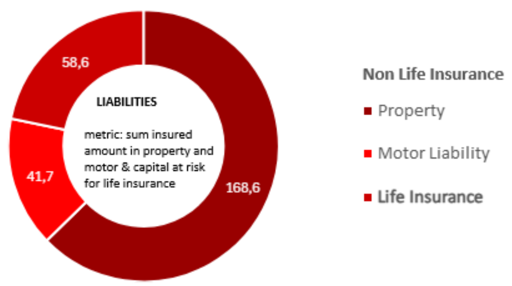
Regulations designed to reduce GHG emissions have a material negative impact on the profitability of companies with GHG intensive profiles, which also affects the profitability of other companies (e.g. via an increase of energy prices or other resources). This leads to negative performances of stock exchanges and to an increase of corporate credit spreads. The economy is not supported by major technological breakthroughs to facilitate decarbonization nor by a positive perspective for future climate evolution. Consequently, the economy remains structurally affected for a long period, which materially impacts the public deficit and debt quality of European countries. Moreover, the cost of reinsurance programs is increasing progressively.

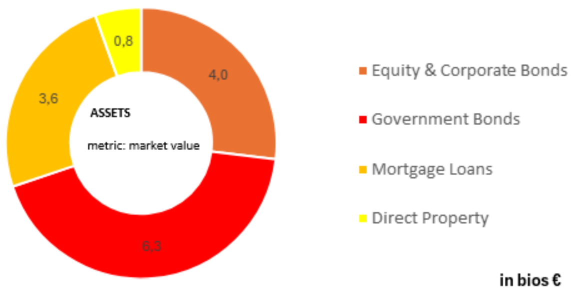
The storyline of this scenario is similar to the "*disorderly transition scenario*" described by the NGFS, but with immediate application of the transition policies. As NGFS does not provide calibrations for shocks on financial or real assets, shocks used in the climate stress test are extracted from scenarios proposed by national supervisors, completed with shocks calibrated for other internal stress tests.

2.3.1.2.2. Results of risk identification and assessment

a. Climate Risk Assessment – General Results

The two figures (end of year 2024) below show Belfius Insurance' total insurance coverage and assets exposed to climate risks.

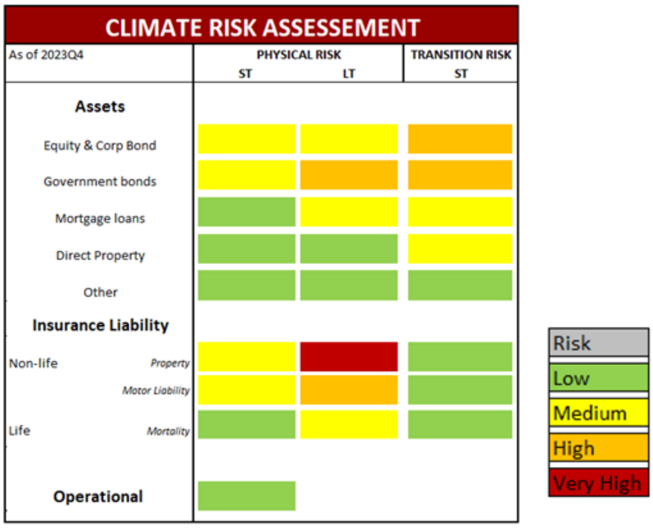




The climate risk assessment of 2024 is based on the situation of end year 2023.

Based on continuous monitoring throughout 2024, Belfius anticipates that the results of the climate risk assessment of 2025 (based on end-of-year 2024 data) will not change significantly.

The table below gives a summary of the final evaluation of both transition and physical climate risks, considering the short period (0-3 years) and the long term (beyond 10 years), for each activity domain. The subsequent paragraphs provide explanations, focusing on material risks classified as high or very high. Note that the exposure in Life is equal to all amounts insured against death and Non-Life all amounts insured in property and cars.



Physical Risk

The short-term physical risk level for all activities is at most medium, mainly because possible events have a medium impact on activities in Belgium and Europe. The main physical hazards are windstorms, various types of flooding, including river, pluvial, and coastal floods and hail. Other risks (like tornado's or subsidence, wildfire) have also been considered but their impact is much lower.

For Belfius Insurance's specific exposures, risks have been deemed in line with the risk appetite after the following analyses:

Exposure	Assessment	Risk
Non-Life Insurance	Exposure is very high due to mandatory catastrophe risk coverage in home insurance. However, strong reinsurance and annual contract adjustments help manage vulnerability and risk. Moreover, the responsibility of Belfius Insurance is legally limited by the Belgian law to around EUR 167 million for flood events in Belgium. Tests show that even with severe past climate events and a weaker reinsurance program, the impact on the Solvency Ratio and profit/loss volatility remains within the risk appetite. In the long term, increased frequency or severity of events could raise risks, especially if reinsurance becomes weaker or more expensive. Given the uncertainty of future physical hazards, Belfius assume the hazard score will increase from medium to high over the next 10 to 20 years.	ST: Medium LT: High
Life Insurance	The risk for life insurance is low in the short term: even an increase of one level in the hazard score keeps the risk at medium.	ST: Low LT: Medium
Assets	On the asset side, the physical risk is evaluated as at most medium for certain types of assets, as the overall impact of events and vulnerability is relatively limited.	ST: Low LT: Medium

Transition risk

Transition risk for insurance activities is considered low, while transition risks are mainly relevant for assets. Transition risks can typically be substantial for equities, corporate bonds, and direct property.

For Belfius Insurance's specific exposures, risks have been deemed in line with the risk appetite after the following analyses:

Exposure	Assessment	Risk
Equities and Corporate Bonds	The risk of transition events is high, particularly for companies in high greenhouse gas emission sectors. Belfius analysed its top 20 positions individually, considering their sector and activities (transition strategy, regulatory sensitivity, carbon tax, raw material prices, and technology changes). This analysis indicated that the portfolio's vulnerability score is lower than an index-based portfolio but still high.	High
Direct Property	The vulnerability risk assessment of the portfolio has been performed in detail based on the characteristics of each individual exposure, such as contract duration, energy efficiency, and tenant quality. Belfius Insurance is actively managing the improvement of energy efficiency in these assets to ensure portfolio sustainability. Consequently, the vulnerability score has been decreased to high, and the risk is now considered medium instead of high.	Medium
Government Bonds	The good credit quality of the positions held and the relatively low physical risks in the concerned countries mitigate the significant potential impacts linked to the transition of economies towards low carbon activities. Transition risk remains high but in line with the risk appetite based on severe but plausible stress tests.	High
Mortgages	Transition risk has been assessed based on both individual assessments of each loan's energy efficiency labels and loan-to-value ratios. Based on these characteristics, a stress test was conducted, showing that the insurer's solvency is not materially impacted. Consequently, the risk is assessed as medium.	Medium

Overall, resilience to climate risks is sufficient in the short term. However, climate risks need to be closely monitored as several physical risks are likely to increase progressively but significantly, and the transition to a low-carbon economy brings additional uncertainty to the valuation and yield of significant parts of the investments.

b. Climate Stress Test Result

The impact of the Climate Stress Scenario on the Solvency II (SII) ratio of Belfius Insurance is quantified.

At the end of 2023, the impact of this severe stress scenario is a significant drop of the Solvency II ratio.

Nevertheless, Solvency II ratio remains in the risk appetite limits thanks to the risk mitigating impact of the reinsurance treaty and the market risk management framework.

2.3.1.2.3. Disclosure of assessment

In this section, the percentages of assets, excluding unit-linked assets, that are exposed to transitional and physical climate risks are explained and disclosed.

Transition Risks

- Equity and Corporate bonds: this is the proportion of the market value of assets invested in Climate Policy Relevant Sectors (CPRS), as classified by the NACE activity code for each exposure. Note that all the companies classified in CPRS do not automatically bear major transition risk.
- Mortgage loans: this percentage reflects the share of outstanding mortgage loans with a high transition risk. The assessment is based on the Loan-to Value ratio coupled with the EPC indicator or a proxy of the underlying property. More precisely, these are the mortgage loans with:
    - an EPC indicator or proxy of more than 400 kWh/m² and a loan to value (indexed) above 80%
    - an EPC indicator or proxy that is not available (before 2017) and a loan to value (indexed) above 80%

- Direct Property: this percentage indicates the segment of the property portfolio assessed with a high transition risk. The assessment is based on the energy efficiency of each asset and the characteristics of its rental contract. All direct property assets are located in Belgium.

Physical Risks

- Direct Property Portfolio: this percentage represents the portion of the direct property portfolio that is situated in high and medium flood risk zones. The assessment is based on the official Belgian regional flood maps and is in line with the one employed by Belfius Bank.

- Mortgage loans: this percentage represents the portion of outstanding mortgage loans where the underlying properties are situated high and medium flood risk zones, as designated by the official Belgian regional flood maps. The assessment is in line with the one employed by Belfius Bank.

% of assets with climate risk	Transition	Physical
Equity & corporate bonds	36.8%	N/A
Direct property	12.5%	0.0%
Mortgage loans	2.4%	2.6%

2.3.1.2.4. Mitigation Action

Incorporating ESG and climate considerations into business and risk practices is key to mitigate risk at the source.

By integrating comprehensive climate mitigation strategies across its operations, insurance and investment activities, Belfius Insurance demonstrates its commitment to sustainability and strengthen its resilience in the face of climate change and the challenges related to the transition.

The investment strategy proactively incorporates climate and ESG criteria, emphasizing support for investees transitioning towards increased sustainability, mitigating climate change, and reducing GHG emissions in line with the Paris Agreement. This includes Equity, Corporate bonds, government bonds and investment funds.

ESG criteria are also used for decisions related to the portfolio of direct property detained by Belfius. Belfius Insurance conducts thorough due diligence to assess climate risks and identify mitigation strategies. Investments are made in properties adhering to sustainable building practices and certifications like LEED or BREEAM, and resilience planning is implemented to enhance properties' ability to withstand climate-related events. In addition, at the end of 2024, a plan to improve the energy efficiency of Belfius' direct property was approved by the management committee.

Additionally, non-life insurance underwriting also incorporates climate-related elements into pricing and underwriting, particularly for home and motor insurance. Furthermore, Belfius Insurance effectively mitigates physical risks through a robust reinsurance program and the flexibility of annually renewable insurance contracts. The company remains vigilant about the evolving physical risks due to climate change, ensuring that measures such as reinsurance, pricing adjustments, and risk assessments are in place to manage these risks.

The mortgage loans underwriting criteria & pricing include climate risk considerations, such as evaluating property locations for exposure to climate risks, requiring energy efficiency standards for mortgage financing, and encouraging borrowers to implement climate risk mitigation measures.

In accordance with Belfius Bank as head of Belfius Group, Belfius Insurance adheres to different frameworks and policies such as ESG Framework, ESG Risk management Framework, Transition Accelerations Policy and the Risk Appetite Framework. For a more detailed explanations, refer to the Bank's Mitigation Action section 2.3.1.4. In addition, to effectively manage ESG risks, Belfius Insurance has instituted a robust governance structure similar to that from the Bank which is also described more in detail in the Bank's Mitigation Action section.

Belfius Insurance risk assessment also benefits from the support of the Belfius Insurance ESG team and from the group ESG Central Team and ESG Risk Competence Centre. These teams oversee the ESG strategy and support a proactive risk management.

Belfius Insurance made significant strides in ESG risk management and the ESG risks are in line with risk appetite. However, there is an acknowledgment of the need to continue to improve assessment methodologies and reporting of key risk assessment, actions and remedies to face the increasing level of ESG risks, with a special focus on climate.

2.3.2. Non-financial Resilience analysis

The non-financial resilience analysis describes the resilience of Belfius Goup's operating model in relation to climate change. This description includes the scope of the resilience analysis for non-financial risk and how and when the resilience analysis has been conducted, including the use of climate scenario analysis. This methodology and assessments are detailed in the first section.

The second section details the results of the analysis for the different non-financial risks, the third discloses some figures (assets at material physical risk) and the last section focuses on the mitigation actions through which it manages each material climate matter including action plan.

2.3.2.1. Scope and methodology of assessments

a. Climate and environmental risks materiality assessment (CERMA)

The non-financial risks (NFR) are assessed with an expert-based risk cartography. The analyzed areas are concentrated on Belfius' own assets, operations and third parties. The risk factors on which the assessment is applied are the IT, buildings, suppliers, delivery process and liability.

The C&E risks materiality assessment on NFR is a qualitative, expert-based, top-down exercise performed in 2 steps.

- Firstly, the transmission channels through which C&E risks can materialize were identified. The main areas which can be impacted are (i) people (through staff and customers), (ii) buildings & facility, (through HQ; branches, data centres, etc.) and (iii) process (through IT systems, third-party outsourcing, etc.).

- Then, an analysis was performed to assess the potential impact of the C&E risk drivers on the NFR risk clusters stemming from the Belfius Risk Taxonomy. These include information technology & infrastructure, execution, delivery & process management, fraud (internal and external), employment practices & safety, client products & business practices, damage to public safety and reputation.

b. Operational risk climate assessment

For several years, attention has been dedicated to the impact of climate-related risks on Belfius' operational resilience. The bi-yearly threat analysis exercise measures the impact of physical risks, including natural disasters on assets such as Belfius data centres and buildings, with a view on business continuity. The threat analysis encompasses an expert judgment, estimating the probability and impact of each risk on several criteria based on available information: flood maps, proximity to rivers, forests, etc.

Belfius has also significantly strengthened its approach regarding its suppliers with the integration of ESG criteria in its Procurement Policy, Procedures and General Terms and Conditions (e.g. respect of GDPR). This includes the Sustainability Code of Conduct for suppliers, which was updated in 2023, the conducting of vendor assessment with a third party (ECOVADIS) and ESG scorecard monitoring. For more information, please refer to section 4.2 Sustainable Procurement of Belfius' CSRD Report.

In order to enhance our resilience in an E2E perspective, the new Third Party Risk Management (TPRM) framework also foresees a set of questions targeting our third parties' resilience capabilities. Indeed, several questions related to the existence, formalization, program testing and auditing of the third parties' Business Continuity Plans must be answered. Moreover, our TPRM framework also investigates our third parties' Business Continuity Plans including the description of risk scenarii, business impact analysis and dependencies with relation to subcontractors and their maturity regarding resilience.

2.3.2.2. Results of risk identification and assessment

a. Physical risk assessment

Physical risk could cause disruptions of Belfius' own operations or Belfius' suppliers/third parties/partners 'business.

The impact of physical risks is considered by NFR risk clusters.

Particular attention has to be paid to the infrastructures of critical third parties, incl. those of their subcontractors, especially when third parties are located in areas prone to extreme physical climate events.

The materialization of climate risks will also have an indirect impact on employment practices and workplace safety, mainly due to sickness, repeated physical risk events (flood, heatwaves, etc.) impacting houses and transportation solutions of staff, eventually increasing the absence rate and reducing, well-being and productivity of employees.

The impact of C&E physical risk is however expected to only materially impact Belfius in the long run.

b. Transition risk assessment

Results of the NFR materiality assessment indicates that the effect of transition risk drivers will be the highest impacting. In particular, risk drivers such as changing customer behavior and preferences are expected to have a material impact on information technology & infrastructure and on the execution delivery and process management. This relates to potential execution risks in the implementation of the ESG strategy and ESG conform products as well as supply chain management issues (shortage of components and delivery delays). These risks are expected to materialize and peak in the medium term.

The impact of substitution of existing products and services with lower emissions options is also seen as critical in the longer term as they can translate into shortage of components or raw materials. The risk is therefore a malfunctioning, disruption and unavailability in IT systems, energy provisions and supply chains leading to interruption of activities, long delivery times, etc.

Increased stakeholder concern on ESG-related aspects also increases the vulnerability of Belfius to reputation risks, especially if the bank fails to meet ESG expectations. This risk could further translate into legal risks, if fines or sanctions are imposed on the bank Belfius. It could also reduce investor interest and talent retention.

c. Overall risk assessment

All in all, the results of the NFR materiality assessments indicate that the materiality of C&E risks on NFR risks clusters is moderate. Actions are already in place (and/or currently being developed) to mitigate the impact of C&E risks drivers on NFR and their efficiency is continuously monitored (see section 2.3.2.4 for details on mitigating measures).

Furthermore, il should also be noted that NFR are globally characterized by higher velocity patterns than credit risks – in terms of both exposure and mitigation –except for a few assets such as headquarters and critical ICT service providers, which also lowers the risks associated with C&E risk drivers.

Finally, bi-yearly analysis demonstrates specifically that risks of flooding, wildfire and earthquakes with regard to the data centres in Luxembourg are currently adequately mitigated.

2.3.2.3. Disclosure of assessment

The following table shows the result of the flood risk assessment realized on all significant assets of Belfius in Belgium. It is based on the same methodology used for financed assets at material physical risk (see section 2.3.1.1.3.). The scope includes headquarters and agencies (excluding independent DVV agencies) located in Belgium. Note that in this mapping exercise, Belfius does not take into account risk mitigants such as fire insurance, while all buildings are well insured.

The table below shows the locations at risk among the 485 screened buildings, including agencies and headquarter buildings.

Location of significant assets at material physical risk (flood risk)

Number and percentage of locations at risk	
Location at high physical risk (#)	55
Location at medium physical risk (#)	44
% locations at high and medium physical risk	20,41%

2.3.2.4. Mitigation Action

Belfius is committed to ensuring the continuity and resilience of its critical business activities, in full compliance with Belgian regulations. This commitment extends to clients, counterparties, and regulators, with a promise to maintain and test robust alternative arrangements capable of sustaining operations following an incident. The underlying process, which encompasses business continuity and crisis management, adheres to the ISO22301 standard and the BCI Good Practice Guidelines. Applied uniformly across all Belfius entities, this process is underpinned by versatile reallocation strategies, including dual office setups and remote working options. The framework is further supported by effective management reporting, detailed business continuity plans, and regular exercise and maintenance programs.

Building on this foundation, Belfius has crafted a strategic action plan in response to the latest threat analysis. This plan is structured to address risks by prioritizing threats according to their potential impact and probability. Mitigation strategies for high-priority threats have been devised, encompassing technological upgrades, policy updates, and extensive staff training. Adequate resources, including a comprehensive budget and dedicated personnel, have been allocated to ensure the successful deployment of these strategies. To reinforce the security culture within the organization, Belfius has established a training and awareness program, augmented by a monitoring and evaluation system to measure the effectiveness of mitigation efforts. A designed communication plan ensures transparency with all stakeholders, while a well-defined incident response protocol offers clear guidance for handling potential breaches. Meticulous documentation and regular reporting are integral to this plan, providing a clear view of progress and supporting informed decision-making.

Furthermore, the approach to supplier relationships has also been fortified, with the introduction of an ESG due diligence screening process. Since 2020, Belfius has refined its sustainable procurement commitments, notably revising its Procurement Policy to integrate ESG considerations into the supplier selection process. This includes the adoption of a Sustainability Code of Conduct for suppliers, outlining essential compliance principles, and the implementation of vendor assessment and monitoring initiatives in collaboration with a third party (ECOVADIS), which features ESG scorecard monitoring. The status and progress of the approach are followed up via dedicated KRI (a.o. in the QRR). See section 4.2.

In tandem with these efforts, Belfius has embraced sustainability within its business practices across all Group activities, culminating in the creation of a dedicated ESG Risk Management Framework in 2023. This framework is designed to encapsulate the management of ESG risks within the organization including the role and responsibilities of the three lines of defense, marking a significant advancement in Belfius' commitment to sustainable operations. In 2024, The ESG Risk Management Framework was updated to include Belfius Insurance as well. See section 2.3.1.1.4 for details on the ESG Risk Management Framework.

2.4. Integration of ESG into business activities

Belfius is aware of the large-scale climate impact linked to financial and insurance activities, and the impact Belfius can make through its financing, investing and insurance activities. With the Transition Acceleration Policy (TAP), Belfius takes a stand on economic activities that it considers wholly or partially unfit to the transition towards a low-carbon economy. This policy applies to all Belfius entities and covers all core activities involving professional counterparties.

The TAP includes criteria for investment, lending and insurance activities, encouraging businesses to shift towards sustainable activities and limit the negative impact of non-sustainable activities. The policy is based on the 10 principles of the UN Global Compact and assesses activities in sensitive sectors and business areas to ensure they align with internal environmental, social and corporate governance criteria. Additionally, Belfius has committed to the UNEP FI Principles for Responsible Banking (PRB), UNEP FI Principles for Sustainable Insurance (PSI), and the UNEP FI Principles for Responsible Investment (PRI). In the development of these policies, Belfius engaged key departments, including ESG, procurement, legal and communication, to ensure a comprehensive approach to sustainability and responsible business practices.

The TAP policy affects investment, lending, and insurance activities, and companies that fail to adhere to these principles, particularly regarding labour rights, are excluded from Belfius' portfolios. The TAP is designed to both encourage sustainable business transitions and reduce the negative impacts of non-sustainable activities, thereby amplifying Belfius' positive impact on society and the economy. The policy disqualifies companies that violate UN Global Compact principles or operate in controversial sectors from accessing a range of products and services from Belfius Group, including lending, leasing, financial market activities, insurance, investments, and other financial services, except for the basic banking service. Excluded from the TAP are 'execution only' transactions, investment products beyond Belfius' full control, private assets and four specific illiquid positions in the run-off portfolio. Belfius has set up a specific governance for ESG and TAP matters, under the supervision of the Board of Directors. The Sustainable Investment Desk is responsible to set-up and monitor the TAP as well as for its implementation across the portfolios and investment offer of Belfius.

While external stakeholders were not specifically consulted during the drafting process, their interests were considered when formulating policies. Belfius does not specify whether or how its policies address the following significant areas: mitigating negative impacts related to air, water, and soil pollution, including prevention and control, as well as substituting and minimizing the use of substances of concern and phasing out substances of very high concern, particularly for non-essential societal use and in consumer products The policy is available online in English, French and Dutch and can be consulted on Belfius' website.

More detailed information on the process for identifying and assessing material Impacts, Risks, and Opportunities related to Meaningful Financing, Investing and Insurance is provided in section 1.6.1.

2.4.1. Meaningful Financing

As a result of the DMA, the following Impacts, Risks and Opportunities have been identified as material:

Topic	IRO	Description	Value chain
Meaningful Financing	Impact	Developing financial products, funding and giving loans to sectors or activities of companies supporting the development and adoption of renewable energy sources.	Downstream
	Impact	Providing financial products, funding and giving loans to sectors or activities of companies contributing to energy based on fossil fuels or non-renewable energy sources.	Downstream
	Impact	Financing, funding and giving loans to sectors or activities of companies not following circular design principles.	Downstream
	Impact	Financing, funding and giving loans to highly polluting sectors or highly polluting activities of companies.	Downstream
	Impact	Financing, funding and giving loans to sectors or activities of companies negatively affecting the preservation and availability of water.	Downstream
	Impact	Financing, funding and giving loans to sectors or activities of companies contributing to the destruction of natural ecosystems.	Downstream
	Impact	Providing capital to companies or sectors that may have an elevated risk of violating human rights or increased health and safety issues.	Downstream
	Impact	Encouraging and ensuring good working conditions for workers that are part of the lending activities of Belfius.	Downstream
	Risk	New regulations related to climate change, such as related to building energy efficiency and energy prices, or carbon pricing, may lead to affect negatively the customers' value and profitability, leading to financials damages for Belfius. Failure to adapt real estate to energy-efficient performance could result in decreased property values and homeowners’ ability to repay debts, further impacting credit risk.	Downstream
	Risk	Extreme weather events related to climate change, such as floodings and other natural disaster, may negatively affect customers' value and profitability leading to financial damages for Belfius in its lending activities.	Downstream
	Opportunity	Development of new products and solutions to support climate mitigation and adaptation, may generate new revenue streams for Belfius lending activities.	Downstream
	Opportunity	Design of products that address the issues of circular economy, including recycling, may generate new revenue streams for Belfius lending activities.	Downstream

2.4.1.1. Advisory and Support Services

At Belfius, the guiding principle is to assist corporate clients in the intricate journey of Environmental, Social, and Governance (ESG) strategy development and implementation. Recognizing the challenges and the necessity of sustainability and ethical business practices, Belfius is dedicated to the long-term success and resilience of its clients' enterprises.

The guidance provided by Belfius is deeply anchored in the Climate and Environmental Policy (CEP), which is discussed in the introduction of chapter 2. Environmental Information.

a) Inspiration Corporate ESG Ambition

Belfius is focused on delivering valuable ESG content to its clients, including testimonials, legislative updates, and sector-specific impact strategies.

In 2024, Belfius has published 2 inspiring articles, onboarded 2 new partners, and hosted a webinar on CSRD challenges and ESG financial incentives.

Belfius is tracking engagement through clicks, click-through rate and likes on LinkedIn, as well as monitoring webinar attendance and participant feedback to ensure the content is relevant and impactful. The goal is straightforward: to release monthly inspiring content and host webinars on current ESG topics supporting Belfius' clients as they navigate their sustainability journeys.

b) Corporate ESG Ambition Contract

Belfius offers to its clients a selection of 22 ESG objectives derived from 15 inspiring topics. It encourages clients to adopt at least one high-impact environmental goal that aligns with their industry. To incentivize progress, Belfius rewards clients who meet their ESG targets with either a financial bonus or the option to contribute that bonus to a Belfius philanthropic fund focused on People, Health, or Planet.

In 2023, Corporate ESG Ambition conversations with 1,592 corporate clients were executed, and 58 companies pledged to fulfil a specific set of ESG ambitions within a year. 2024 saw 167 new ESG Ambition conversations, with 42 additional companies committing to their ESG goals for the year.

Belfius' follow-up metrics include tracking the Corporate ESG Ambition conversations with clients and the number of ambition contracts signed. For 2023, Belfius aimed for 1,200 meetings, and for 2024, it was targeting 750 meetings and 75 new contracts. These goals underscore its commitment to supporting its clients as they make meaningful strides in their ESG endeavours.

c) ESG Profile

Understanding clients' ESG profiles and their progression is a key focus at Belfius; in 2023, Belfius gathered valuable insights from ESG questionnaires completed by its corporate clients, and in 2024, Belfius has continued this effort, providing its bankers with a targeted list to prioritize outreach. This list is categorized into three priorities: Priority 1 includes the top exposures per sector in Construction, Energy, Manufacturing, Real Estate, and Transport; Priority 2 consists of clients with a significant credit exposure in these sectors; and Priority 3 encompasses clients with a moderate credit exposure in these sectors.

Belfius' follow-up metric is straightforward: the number of ESG questionnaires completed by clients. The target for 2024 was to complete minimum 250 ESG questionnaires, with a focus on the three priority categories outlined. This goal is set to deepen our understanding of clients' ESG profiles and support them effectively in their sustainability objectives. In 2024, 251 new ESG questionnaires where completed by Belfius' Corporate customers.

2.4.1.2. Retail Solutions

a) Energy-Efficient Housing Solutions

The renovation of residential real estate is one of the key discussion topics at the moment. Renovation obligations are currently being put in place by Belgian regional authorities while the European authorities are considering further strengthening of those obligations under the Energy Performance of Buildings Directive. Given the current average EPC of the Belgian building stock, the challenge in terms of energy renovations is substantial. It is estimated today that a total investment of approx. EUR 400 billion would be required to renovate 95% of the Belgian residential building stock (i.e. 5.5M private homes) and bring it to an average EPC A label by 2050.

In this context, the role of the public authorities is essential as they must put in place the legislative and incentive framework required for this green transition. But banks like Belfius also have an important role to play. Belfius' offering for the financing of buildings has been extended to meet the challenge. Ensuring accessibility to adequate financing solutions for all segments of the population is key, especially given the increase in interest rates since 2022 that led to a decrease of the overall mortgage loan market. To facilitate this accessibility, Belfius offers a range of products to its clients, the Energy-Efficient Housing Rebates (EE Rebates), the 30-Year housing credit, the Flemish Renovation Credit and the Renovation loan Energy.

The EE offer of Belfius is set to include more comprehensive interest rate discounts for a wider range of energy-efficient renovations and constructions, as well as new incentives aimed at encouraging the adoption of renewable energy solutions and further improving the energy performance of residential properties.

The EE Rebates are intended for credits aimed at financing houses and apartments in Belgium. Buildings abroad are excluded.

As from July 2024 it is possible to take out a 30-year mortgage loan at very attractive rates for energy-efficient main residences. The 30-year mortgage loan is ideal for singles, young families, and low-income families who wish to purchase a sustainable home or carry out energy renovations. Spreading the repayment over 30 years reduces the amount of the monthly instalments, allowing for immediate investment in an energy-efficient house. The 30-year mortgage loan is only possible if each of the following 3 conditions are met:

- mortgage loan with one of the following EE rebates:
    - EE rebate for EPC <= 150 kWh/ (m² year)
    - EE rebate for new construction
    - EE rebate for transformation
- to finance the main residence
- with repayment in constant or decreasing monthly instalments

Belfius, DVV and Elantis have been offering the Flemish renovation loan since 2021. This allows clients buying a house with poor energy performance to take out a renovation loan to carry out thorough energy renovations within five years of the notarial deed of purchase in order to benefit from an interest subsidy granted by the Flemish government. The interest subsidy may be lower, equal to or even higher than the interest paid on the loan (depending on the energy label after renovation and the interest on the renovation loan).

For smaller credit amounts, a consumer loan is often more suitable. Belfius provides the Energy Renovation Loan, a financing option specifically for energy-saving renovation projects. This includes improvements to home insulation, installing double or triple glazing, upgrading to high-efficiency boilers, and setting up heat pumps or solar panels, along with conducting energy audits.

Credit for Energy-Efficient housing (EE mortgage loan)	**2024**	
	Thousands of EUR	Number of loans
Energy-Efficient Housing Rebates	1,296,152	7,575
30-Year Housing Credit	31,877	131
Flemish Renovation Credit	27,191	716
Renovation loan Energy	43,518	2,429

b) Responsible Mobility Solutions

Car loan Energy +

Belfius offers the Energy + Car Loan, tailored for individuals looking to purchase electric or plug-in hybrid cars with CO_2 emissions of less than 50 g/km, meeting EU taxonomy criteria. This loan allows customers to finance up to 120% of the vehicle's purchase price, which can include additional expenses such as setting up an electric charging station or installing solar panels. The loan is applicable to new or second-hand cars up to 3 years old and can also cover accessories, registration tax, and other related costs.

Bike loan

Belfius' financing options are suitable for purchasing bicycles or other means of transport that encourage soft mobility, such as electric scooters, monowheels, electric steps, Segways, and similar vehicles. Customers have the possibility to finance up to 110% of the purchase price, which allows for the acquisition of not only the vehicle itself but also potential accessories or safety equipment like lights, bags, and quality bicycle helmets. Additionally, the financing can be used to cover (part of) the insurance or assistance costs associated with the vehicle.

Responsible Mobility Solutions	**2024**	
	Thousands of EUR	Number of loans
Car loan Energy +	29,789	1,056
Bike loan	4,245	1,096

2.4.1.3. Corporate and Public Sector Solutions

a) Ambition loans & ambition leasing

Belfius supports projects that have a positive environmental impact through investment credit and financial leasing. These projects span across vital areas that are considered sustainable investments in the European Taxonomy such as real estate, mobility, energy, and water and waste management for loans and leasing as well as other activities and domains for loans.

After Belfius' range of meaningful financing solutions that help clients in their efforts to transition to a more climate-friendly society, Belfius launched its first socially-oriented Ambition Loan in 2024 with the aim of helping companies and public entities finance measures to protect them against potential cyberattacks. In 2025, Belfius will launch new financing solutions to support its clients in this endeavor. Additionally, based on the feedback from its clients, the changing regulations, and the new needs that arise from this, it will continue to commit itself to assisting its clients with the most suitable financing solutions in order to fulfill its purpose of being meaningful and inspiring

By the end of 2023, Ambition Leasing's guidelines for charging stations became fully operational. Updated guidelines for the financial leasing of solar panels were also implemented in Q3 2024. Internal training for Belfius Lease is subsequently being rolled out starting in Q4 2024 and will continue in Q1 2025 along with planned training on solar panels.

The metrics for tracking the progress of Belfius' meaningful financing options are managed through a monthly follow-up by the product managers involved. Efforts are underway to streamline and automate these reports. These metrics are crucial for Belfius to monitor engagement and success in promoting environmentally beneficial financing.

This table shows the realisation of the number of dossiers for 2024.

Number of dossiers 2024	**Corporate**	**PSB**	**Business**
Ambition Loans	34	144	2,020
Ambition Leasing	1,061	9	1,905

b) Green/Social/Sustainable Loans and Bonds

Green/Social/Sustainable Loans

In the context of Belfius' financing solutions, the Green Loan and/or the Social Loan are also designed to support our clients in (re)financing green and/or social projects that are fully aligned with all categories and conditions mentioned in the European Taxonomy, thereby aligning with Europe's vision and its Green Deal to achieve a Zero Emission policy by 2050. Additionally, the Social Loan aims to support projects with a positive social impact on specific target groups.

The actions related to these loans are conducted on an ad hoc basis, as there are no general actions planned due to the complexity of the domain and the specific needs for each client tailored to its activities.

Belfius also offers other supportive services. For example, clients who opt to develop a Green/Social/Sustainable Financing Framework can rely on and be assisted by Belfius' experts from Financial Markets. These services are not offered proactively but are rather the result of in-depth discussions between bankers and clients regarding the clients' needs.

Green/Social/Sustainable Bonds

Belfius offers a financing solution in the form of bond issues for green and/or social projects contributing to ecological transition (Green Bonds) and/or projects with a positive social impact (Social Bonds). These projects are detailed in the client's "Green/Social/Sustainable Financing Framework," must be certified by a Second Party Opinion Provider, and require detailed reporting on the funds' usage.

Demand is client-driven, often from those who may already be issuing bonds. The team gets involved with clients only once their bond concept is well-defined, with initial communications facilitated by the banker.

Metrics for these bonds are tracked quarterly by the relevant product managers and include a split between PSB and Corporate. The metrics monitored are the number of transactions and the issuance amounts in millions of euros. In 2024, Green/Social/Sustainable Bonds amounted to EUR 2,459 million.

c) Sustainability Linked Loans (SLL) and Bonds (SLB)

Belfius offers a financing solution in the form of a bond or credit designed for general corporate purposes, with a unique feature where the interest rate is tied to the issuer's achievement of sustainable development or ESG criteria objectives, known as Key Performance Indicators (KPIs). These KPIs must be relevant, consistent, and verifiable, aligning with frameworks such as the Paris Climate Agreement, and they should be ambitious while remaining sufficiently pertinent. The KPIs are detailed either in the financing documentation or within a "sustainability linked financing framework."

The metrics for monitoring the performance of the sustainability-linked loans (SLLs) are managed on a monthly basis by the relevant product managers. The follow-up includes an operational split between credit facilities that are aligned with the Loan Market Association (LMA) Sustainability Linked Loan Principles and have been confirmed as SLL and those that proactively include provisions to set KPI's and targets in a foreseeable future to convert the credit facility into SLL. The metrics tracked include the number of dossiers, the volume in million euros, and the average margin or net credit margin expressed in basis points (bps). This systematic approach ensures that Belfius can closely oversee the alignment of its financial products with sustainability criteria and the impact of these criteria on financial terms.

In 2024, 7 new credit facilities for a total amount of 366M€ have been designated as SLL and 4 existing credit facilities produced in previous years have been converted into a SLL after KPI's and targets have been agreed upon between the borrower and the lenders.

d) Comprehensive Mobility Solutions

Belfius is committed to providing concrete and responsible mobility solutions to meet the evolving needs of companies and their employees. These solutions encompass a range of options:

- Cars: Financing solutions such as investment credit or leasing, with or without additional services, to support a greener vehicle fleet.
- Bike: A bicycle leasing solution with services provided by Cyclis to simplify employees' commutes.
- Protection: Insurance solutions included in leasing packages for enhanced protection.

- Electrification: Charging solutions for employee vehicles and company premises, offered in partnership with CenEnergy.
- MaaS: The digital all-in-one Mobility as a Service solution through the Skipr app, centralizing all available transport modes.
- Advice: Tailored advice to assist companies in transitioning to responsible mobility.

In 2024, Belfius took several actions to advance these mobility solutions:

- Launch of on-site recharging solutions with CenEnergy, communicating on it with a press release and a mailing to PSB and Corporate customers.
- Participation in the Mobility Tomorrow event alongside subsidiaries and partners with the release of a mobility-focused podcast during the Mobility Tomorrow event.

To track the effectiveness of Belfius' comprehensive mobility solutions, the following metrics are followed up on a monthly basis:

31/12/2024	Type	Number	Total car fleet (% and number)
Operational leasing of cars by Belfius Auto Lease	Electric cars	8,417	28%
	Plug-in hybrid cars	7,077	24%
	Hydrogen cars	0	0%
Bicycle Lease	Bicycle lease contracts	991	
Charging solutions linked to operational car leasing	Charging stations		277
MaaS	Subscriptions		417

By 2025, Belfius Auto Lease intends to reduce the CO_2 emissions of its vehicles fleet by 50% compared to 2019.

2.4.1.4. Energy-efficient infrastructure

a) Smart Building and Renovation Solution (SBRS & SBRS Energy)

Belfius offers comprehensive solutions through SB&RS offering, delivering an all-in formula, a tailor-made global solution to support clients through their real estate projects. From the energy and technical audits to the final delivery of the building, Additionally, SB&RS Energy, a customized global solution to help and guide the client in tackling his real estate projects, focusses exclusively on energy renovation, more specifically on the various components of the building: HVAC (Heating, Ventilation, Air Conditioning & Cooling), electricity, lighting, building envelope and since recently, energy sharing.

In 2024, Belfius launched the commercialisation of an energy sharing solution, together with WeSmart, his partner in energy sharing. Through this collaboration, they offer an innovative solution that stands out on the Belgian market, and which is designed to support users, such as local authorities, hospitals, schools and universities, in creating energy communities or energy sharing at a local level

Through SB&RS and SB&RS Energy solutions, Belfius has established a sales team for Walloon and Flemish PSB clients, with a proactive approach in three regions.

To stay aligned with these developments, Belfius provides monthly reporting to ManCo for SBRS and SBRS Energy on the number of files, the volume of projects and credits and the fees in thousands of euros. For Energy Sharing projects, a pipeline of about 10 new projects for feasibility studies exists, but no sales have been finalized yet.

For SBRS & SBRS Energy combined, Belfius realizes production of EUR 318 million in 2023 and EUR 307 million in 2024. In 2023, 50% of projects were funded at EUR 161 million, and in 2024, 50% of projects are expected to be funded at EUR 155 million. No specific targets have been set for production of energy sharing projects as 2024 is considered an exploratory year, to tease the appetite of the public market for energy sharing projects. Additionally, information on outstanding linked to and the number of new projects started in 2024 is available.

b) Renewable Energy Projects (syndicated loans)

Multiple financial institutions subscribe to a credit request (large files), with 1 party then taking the lead. E.g. wind farms.
The emissions reduction on such activities will be achieved amongst other through the reduction of emissions of customers. Belfius also expects that its customers comply with all environmental laws, and to fulfil their reporting obligations by measuring and disclosing their own impacts where required.

2.4.2. Meaningful Investing

Meaningful investing is the cornerstone of Belfius' investment strategy. Belfius' meaningful investment approach is founded on its belief that it should deliver both financial and societal returns, which is an essential part of Belfius' fiduciary duty to its clients. In addition, Belfius is convinced that the integration of sustainability or ESG factors into the investment process allows investors to better understand both the risks and opportunities in financial markets.

As a result of the DMA, the following Impacts, Risks and Opportunities have been identified as material:

Topic	IRO	Description	Value chain
Meaningful Investing	Impact	Investing in and prioritizing sectors and activities supporting the development and adoption of renewable energy sources.	Downstream
	Impact	Providing investments to sectors and activities contributing to energy based on fossil fuels or non-renewable energy sources.	Downstream
	Impact	Investing in and prioritizing sectors and activities supporting circular design principles, including recycling practices.	Downstream
	Impact	Providing investments to sectors and activities not following circular design principles.	Downstream
	Impact	Providing investments to highly polluting sectors and highly polluting activities of companies.	Downstream
	Impact	Investing in and prioritizing sectors and activities supporting and protecting water and marine resources.	Downstream
	Impact	Providing investments to sectors and activities negatively affecting the preservation and availability of water.	Downstream
	Impact	Investing in and prioritizing sectors and activities supporting and incentivizing biodiversity protection, preservation of forests and ecosystems.	Downstream
	Impact	Providing investments to sectors and activities contributing to the destruction of natural ecosystems.	Downstream
	Impact	Providing investments to sectors and activities associated with a high risk of accidents, injuries and illness.	Downstream
	Impact	Investing in and prioritizing sectors and activities supporting and incentivizing health and safety of workers in the value chain and their working conditions.	Downstream
	Impact	Providing investments to sectors and activities associated with discrimination, exclusion of vulnerable people and disregard of equal treatment and opportunities in any kind.	Downstream
	Impact	Encouraging and ensuring good working conditions and protection of human rights for workers that are part of the investing activities of Belfius.	Downstream
	Risk	New regulations related to climate change, such as related to building energy efficiency and energy prices, or carbon pricing, may lead to affect negatively the customers' value and profitability, leading to financials damages for Belfius.	Downstream
	Risk	Extreme weather events related to climate change, such as floodings and other natural disaster, may negatively affect customers' value and profitability leading to financial damages for Belfius in its investing activities.	Downstream

Opportunity	Development of new products and solutions to support climate mitigation and adaptation, may generate new revenue streams for Belfius investing activities.	Downstream
Opportunity	Design of products that address the issues of circular economy, including recycling, may generate new revenue streams for Belfius investing activities.	Downstream

2.4.2.1. Responsible investments methods

Belfius fully recognizes its role as an investor and its ability to use the capital invested on behalf of clients to generate financial returns and create beneficial change. While there is no single approach to considering ESG factors in investment decision-making, Belfius believes in the application of various methods to effectively manage an investment portfolio. In this context, Belfius Asset Management (Belfius AM) has established a Responsible Investment Policy to provide a framework for the setup, governance, and execution of Responsible Investment within the organization. The management committee of Belfius AM is the most senior level within the organization accountable for the implementation of their policies. The effective adherence to the policies is managed through the Responsible Investing Committee, where implementation & methodologies are validated.

The aim of the Responsible Investment Policy is to provide a framework for the set-up, governance, and execution of Responsible Investment within Belfius Asset Management. The Responsible Investment approach is founded on Belfius beliefs that as an investor it should deliver both financial and societal returns, which is an essential part of Belfius AM fiduciary duty to its clients. In addition, Belfius is convinced that systematic data-driven incorporation of Environmental, Social and Governance (ESG) factors in financial analysis allows investors to better understand both the risks and opportunities in financial markets. The policy addresses a variety of topics, including methods, governance, application, exclusion criteria, ESG integration, thematic investment, risk management, and due diligence processes to assess negative impacts.

The scope of the policy extends to all assets managed by Belfius AM, with specific exceptions or alternative requirements that may arise based on the asset class or the specific investment structure. Notably, the investment strategy explicitly excludes sectors and activities that have significant negative impacts, such as tobacco and gambling.

In its commitment to responsible investment, Belfius AM's policy respects the United Nations Global Compact principles.

To ensure that the policy is accessible to those who may be affected by it or who are involved in its implementation, Belfius AM is committed to complete transparency. This includes regular updates to stakeholders about the approach, activities, and outcomes of responsible investments. Detailed policies pertaining to responsible investments are available on the Belfius website. Furthermore, Belfius AM publishes comprehensive information about their responsible investment approach and an annual report on active ownership.

Sustainability is a multi-dimensional topic, covering a range of (often inter-related) ESG aspects. There is not only one way to consider ESG factors in the investment decision-making. However, there are various methods that Belfius believes can be applied at the minimum in order to effectively manage an investment portfolio. In the following sections it is explained the most important methods that are applied in the management of Belfius AM financial products.

Exclusions

Belfius excludes certain economic activities on sustainability grounds through its TAP (see section 2.4.). Exclusions refer to classifying sectors, companies or governments as ineligible for investment based on legal, norms-based, or sustainability-related considerations.

Belfius AM monitors the compliance of issuers with the Transition Acceleration Policy by assessing the total number of TAP-compliant and non-TAP-compliant issuers within their investment universe periodically. In Q4 2024 in the investment universe, 8.61% of issuers were non-TAP compliant. Additionally, the Responsible Investing department performs screenings of portfolios and funds. Belfius AM takes action by excluding or divesting non-TAP-compliant issuers in their investment strategies, including Private Mandates, managed funds and Kite offerings (insurance-based investment products), with certain exceptions as outlined in the scope of the TAP. Therefore, Belfius AM applies the TAP guidelines to all its direct investments and requires delegated asset managers to adhere to the same standards. With regard to third party funds, which are managed by external asset managers, Belfius' fund selection team has developed a rigorous process to identify the list of most suitable funds based on a combination of financial, liquidity and ESG criteria. External funds that Belfius fund of funds invest in, are regularly screened to assess their degree of compliance with the TAP (see TAP-Policy-EN.pdf).

Published in January 2024, the new version of the TAP introduces significant changes for investments, particularly targeting the energy sector. Two major changes concern thermal coal and unconventional oil and gas. From 1 August 2024 onwards, all coal extraction companies were excluded, as well as any company with expansion plans in coal mining or coal-based power generation. Furthermore, from 2030 onwards, all coal companies will be excluded, in line with Belfius' energy vision. Additionally, companies active in unconventional oil and gas extraction (such as shale gas, shale oil, tar sands, arctic drilling, deep water drilling, coalbed methane, and extra heavy oil) are also excluded.

Belfius AM also assesses its investments based on Principal Adverse Impacts (PAIs) as outlined in the annual Principal Adverse Sustainability Impacts statement, available on the Belfius AM website. The TAP exclusions are aligned with certain PAIs, ensuring that its investment decisions consider the principal adverse impacts on sustainability factors. In this annual statement, Belfius AM details these impacts and outline its strategy to address them.

Belfius AM does not set measurable outcome-oriented targets on the application of the exclusion policy as the use is primarily to mitigating ESG risk. This policy focuses on limiting negative exposure by avoiding investments in companies or sectors that do not meet the ESG criteria, effectively reducing potential risks without the need for specific measurable targets.

Active Ownership: Engagement & Proxy Voting

Active ownership refers to creating beneficial change by engaging with the management of investee companies and by voting at shareholder meetings of listed equities. Engagement with investee companies can have different objectives, for example encouraging improved ESG disclosure, obtaining relevant information to support investment decision-making, or encouraging companies to enhance their sustainability practices.

To implement active ownership activities, Belfius AM has developed a proxy voting & engagement policies.

A Proxy Voting policy which provides a detailed framework for how the company exercises its voting rights at shareholder meetings. It includes the key principles that underpin Belfius AM's voting decisions, ensuring that votes are cast in a manner that serves the best interests of the actual beneficiaries of the assets, while also considering the interests of the company's stakeholders.

The policy lays out the main rules and guidelines for the exercise of voting rights attached to shares for which Belfius AM is authorized to vote on behalf of its clients. The scope of this voting policy is exclusive to funds that are internally managed by Belfius AM, specifically those with direct investments in equities.

The policy supports equal and properly protected shareholder rights, objective decision-making by the board, and emphasizes the importance of transparent communication and long-term value creation for stakeholders. To ensure accessibility, the Proxy voting policy is made available on the Belfius website for all potentially affected stakeholders and those who are involved in its implementation (PolitiqueDeVote.pdf or Stembeleid.pdf).

Belfius AM votes at AGM (Annual General Meeting) / EGMs (Extraordinary General Meetings) to promote sustainable practices, transparency and protect its clients' interests. In 2024, the scope of voted funds is indicated for the following investment models:

- For funds that are managed internally, Belfius AM votes on its single-line investments (direct investments in equities).

- For Belfius AM's other investment models the following principles apply:
    - For our funds of funds, the managers of the underlying funds are encouraged to vote for the listed equities in which they invest in order to benefit from investment by Belfius AM funds of funds.
    - For our funds under delegated management, the manager concerned is required to vote.
- For Private Portfolio Management, Belfius Asset Management does not currently vote for investments in single lines. For investments in externally managed funds, these may vote for the shares in which they are invested.

The general principles applied to facilitate shareholder voting in favour of governance structures that improve performance and create value for both shareholders and stakeholders.

Shareholder Rights and Participation

All shareholders must have equal and well-protected rights. This includes ensuring voting rights are tied to economic investment, and minority shareholders have equal voting power in key decisions impacting their interests. Belfius AM advocates for enhanced shareholder participation and access to the company and its board. General meeting procedures should guarantee equal treatment, allowing informed and effective participation. Companies should avoid unnecessary barriers that prevent timely voting without added costs.

Board of directors

Belfius AM believes boards should protect and enhance shareholder and stakeholder interests. Effective governance requires independent, diverse boards with positive performance and relevant, extensive experience. Board members should be well-informed on significant data for the company and stakeholders. The composition should include the necessary expertise to understand and manage risks. Relevant voting decisions involve the tenure of board members, average tenure, gender ratio, number of board/executive positions held, independence, and relevant experience/expertise.

Remuneration

Executive compensation structures should align the interests of the CEO and executives with those of the company, its shareholders, and key stakeholders to drive good performance and long-term sustainable value creation. Belfius AM believes executive pay should be based on relevant and objective key performance indicators (KPIs) crucial for performance and long-term sustainable value creation. Additionally, executive compensation programs should be transparently communicated to shareholders and subject to their approval.

Auditor

Belfius AM believes auditors play a crucial role in ensuring the integrity and transparency of financial information essential for protecting shareholder value. They must provide an independent, objective opinion that financial statements accurately reflect the company's situation and performance on critical issues. Due to their important role, auditors are subject to rotation to preserve their independence.

ESG and transparency

Belfius AM expects companies to understand the environmental, social, and governance (ESG) risks they face and the positive and negative impacts of their operational decisions on stakeholders. They must be transparent with shareholders and key stakeholders about these risks and impacts, including their management. Boards should oversee ESG issues and be ready to discuss their long-term value creation projects with investors. Belfius AM generally supports shareholder environmental and social proposals aimed at improving the company’s ESG policies and performance or enhancing ESG reporting and disclosure if they are deemed important for the company or its stakeholders

Belfius AM assesses and provides a view on the number of votes cast during the year, the distribution of votes for and against resolutions, and the breakdown by categories (e.g., board-related, remuneration, etc.). The action involves voting at Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs), with the objective of exercising shareholder rights for both in-house managed funds and those managed by delegated partners. On an annual basis, the engagement and voting activities made on the products managed by Belfius AM are published in an Active Ownership report. For more information on metrics of funds in scope, please refer to the Active Ownership Report on the Belfius AM website.

An engagement policy which describes Belfius AM's approach to engagement especially in relation to ESG disclosure and practices. Additional ESG policies (biodiversity policy, climate policy, Gender & Diversity Policy, Pollution & Waste Policy, Taxation Policy, Water Use policy) describe ESG issues it addresses in its engagement efforts with companies. Belfius AM's policy outlines the company's approach to engagement and active ownership, with a focus on responsible investment practices, particularly in relation to ESG disclosure and practices. The policy sets forth requirements for voting at shareholder meetings, adherence to regulatory and exclusion norms, and collaboration on responsible investment strategies. Emphasizing transparency, Belfius Asset Management commits to reporting on engagement activities at least once a year.

The scope of the policy encompasses Belfius AM's funds, delegated funds, and direct line compartments managed by Belfius AM's fund management teams.

In developing this policy, Belfius AM has respected the Shareholder Rights Directive II (SRD II), which aims to promote long-term shareholder engagement and improve transparency between companies and investors. The policy is also in line with the SFDR and the TCFD approach, as well as the United Nations Sustainable Development Goal No. 8. Belfius AM considers the interests of key stakeholders in setting its policy, engaging with the companies they invest in to ensure that strong corporate governance principles are in place. To make the policy available to potentially affected stakeholders and those who need to help implement it, external managers are expected to report on their engagement activities and make their voting decisions accessible to the public through a website revealing online voting results. The engagement policy is available on the Belfius Asset Management website.

Given its investment set-up, engagement is undertaken following two distinct approaches:

- Engagement with companies that Belfius AM invests in directly where it encourages improved ESG disclosure, engage in conjunction with its proxy voting policy and/or encourage companies to enhance their sustainability practices.

- Engagement with its external managers in order to ensure they operate in line with Belfius AM's requirements and expectations related to meaningful investment and active ownership.

In terms of engagement, it expects its external investment managers to have a formal engagement policy. Belfius AM also encourage them to publish their engagement policy and any other relevant information on their website. For financial products that aim to promote certain environmental and/or social characteristics, and products with explicit sustainable investment objectives, it expects its external managers to make structural and systematic commitments to the companies they own. In concrete terms, commitments must address the principal adverse impacts (PAI) identified and the aspects of sustainable development likely to impact the financial value of the investment. Wherever possible and practicable, commitments should be consistent with the nature of the investment. This refers to the asset class or type of investment instrument, the investment style, the investment strategy or the investment objective of the financial product. Belfius AM expects its external managers to report on their engagement activities and results. In addition, for investment funds that invest in listed equities, it expects external managers to exercise their voting rights at shareholder meetings. It also encourages them to make their voting decisions available to the public via an online voting results website.

For the metrics of funds within scope, Belfius AM evaluates engagement by analyzing the percentage of engagements conducted throughout the year. This assessment includes the topics of engagement, such as ESG matters, and categorizes them based on the type of engagement, e.g., direct engagement, collaborative efforts, and other relevant categories.

Belfius AM is currently in the process of reviewing its overall active ownership strategy. Consequently, it has not established specific targets for its activities at this time. This strategic review is critical as it will guide future direction and ensure that goals align with updated objectives.

On an annual basis, the engagement and voting activities made on the products managed by Belfius AM are published in an Active Ownership report. For more information regarding Belfius AM's Active Ownership approach, please refer to the Belfius AM Engagement and Proxy Voting Policies.

ESG Integration

ESG integration involves incorporating environmental, social, and governance (ESG) factors into financial analysis, valuation, and decision-making processes in a systematic and documented manner. This practice is particularly pertinent to actively managed portfolios. The specific approach to ESG integration varies depending on the objectives of the fund or mandate and the discretion of the fund or portfolio manager.

Belfius AM customizes its ESG integration approach based on the specific objectives of each fund and mandate, which are determined by the respective fund or portfolio manager. For instance, fund managers may distribute a social questionnaire addressing issues such as employee turnover, training, and the gender pay gap, among other social concerns, to support the fund's rationale and investment strategy.

For certain mandates, portfolio managers leverage ESG ratings to guide their investment choices, ensuring that their selections align with sustainability criteria. Additionally, Belfius AM's dedicated fund selection team is responsible for identifying third-party funds for inclusion in its offerings. This team initiates the selection process by sending a comprehensive questionnaire to potential candidates, including detailed inquiries about their ESG policies and practices. Only those funds with strong ESG credentials are considered for investment.

Sustainable Investments

As defined by SFDR, sustainable Investments refer to investments in an economic activity that contributes to an environmental objective, or investments in an economic activity that contributes to a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. For investments under the SFDR, sustainable investments are typically included in Belfius AM's art. 8 & 9 funds.

In its ESG dashboard, Belfius Group has set an ambitious target to achieve 100% of its production in meaningful investments under the scope defined by SFDR Article 8 and 9 by the year 2025. This scope encompasses mutual funds, My Portfolio, pension funds, and investment-insurance products. As of fiscal year 2024, the percentage of investments meeting this criterion stands at 96% (see section 1.3.2.).

Thematic Investing

Thematic investing refers to investing in themes related to new and/or long-term trends. In many cases, these themes are expected to contribute to sustainable development in relation to environmental issues, social issues, or both. Belfius has developed a range of thematic funds that incorporate binding "E" or "S" criteria in their investment policy and are linked to one or more Sustainable Development Goals (SDGs). This range of thematic funds invests in companies offering solutions for cleaner, safer and smarter mobility, or those aspiring to become future leaders in climate change mitigation efforts.

2.4.2.2. Additional ESG policies

Belfius AM's commitment is also reflected in its concrete directives:

Belfius AM's Climate policy is centred on a strategic approach to addressing climate-related challenges within the investment sphere, emphasizing the transition towards a sustainable economy. The policy incorporates ESG considerations into investment decision-making processes and details the TAP, which aims to eliminate coal-related investments by the year 2030 and to exclude companies that have plans to expand coal operations starting from August 2024.

The scope of this climate policy is comprehensive, applying to Belfius AM's funds of funds, delegated funds, direct line-managed funds, and private portfolio management services. The policy sets forth a clear exclusion of coal-related companies by 2030 and also applies to companies engaged in unconventional oil & gas. Additionally, it establishes stringent criteria for conventional oil & gas companies and electricity producers.

In its commitment to sustainable practices, Belfius AM's climate policy is in accordance with the United Nations Global Compact principles and aligns its reporting with the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD).

Belfius AM's policy development process includes consideration for the interests of key stakeholders, reflecting the company's dedication to stakeholder engagement and transparency. This approach demonstrates that Belfius AM takes into account the perspectives and concerns of stakeholders when shaping its climate policy.

The Pollution & Waste policy focuses on addressing environmental and community concerns related to pollution and waste. It prioritizes the reduction of pollution and waste by the companies in which clients invest, with specific attention to the problem of single-use plastics. The policy outlines Belfius AM's approach within their investment portfolios, which includes engagement with stakeholders.

The scope of the policy includes all funds managed by Belfius AM. It centres on pollution and waste reduction and engages with investee companies and external asset managers to encourage strategies that minimize pollution and waste generation.

Belfius AM places a strong emphasis on stakeholder engagement in setting its policies. The company engages with investee companies, emphasizing responsible stewardship and risk management, and monitors a range of indicators to assess the negative impact of an investee company's activities on the environment. The goal is to encourage the adoption of strategies that minimize pollution and waste generation.

The Water Use policy outlines Belfius AM’s approach to integrating water sustainability into their investment strategies, recognizing the critical role of water in shaping the future of the planet and the risks posed by water scarcity, pollution, and mismanagement.

The scope of the policy encompasses all funds managed by Belfius AM, applying to their four distinct modes of investing.

Belfius AMs approach to water usage involves proactive engagement with investee companies, emphasizing responsible stewardship and risk management. They monitor a range of indicators and encourage external asset managers to consider the impact of their investments on water usage.

Belfius AM’s Biodiversity policy includes integrating biodiversity considerations into investment strategies and addressing drivers of biodiversity loss. It focuses on sectors such as forestry, agriculture, fishing, mining, and land grabbing, and outlines measures to mitigate risks and promote sustainable practices.

The policy shows consideration for the interests of environmental stakeholders, investors concerned about sustainable practices, farmers, consumers, marine life, fishermen, local communities, human rights advocates, investee companies, and external fund managers. It aims to reduce negative effects by excluding harmful sectors and engaging with companies to promote positive impacts and mitigate risks related to biodiversity loss.

The policy's scope covers specific sectors with related risks to biodiversity. Exclusions include companies active in industries causing deforestation unless they meet standards outlined in Belfius' TAP. The policy also encourages external asset managers to formulate comprehensive policies on biodiversity. The policy refers to the Human Rights Norms-based analysis and adherence to the UN Global Compact & Human Rights Violations.

The Gender and Diversity policy outlines Belfius AM’s commitment to diversity and equality within their investment portfolios, emphasizing the importance of these aspects in achieving sustainable business success.

The policy applies to all funds managed by Belfius AM’s, emphasizing principles and practices for diversity and equality within clients’ investment portfolios, including engagement with stakeholders and regular monitoring. The interests of key stakeholders are considered in setting the policy, as it emphasizes engagement with stakeholders and regular monitoring.

All Belfius AM’s policies are implemented by the Management Board of Belfius AM and are available on its website. Belfius AM’s metrics used to track the effectiveness of its actions are not validated by an external body other than the assurance provider.

2.4.2.3. Belfius Green and Social Bonds

Well aware of the crucial role played by the financial sector in ensuring a more sustainable future, Belfius aims to be meaningful and inspiring through its core businesses – not only for its customers, but also for the Belgian society as a whole. In May 2021, Belfius published its Green Bond Framework (GBF) relying on the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA). In a second phase, in March 2024 Belfius has published its Social Bond Framework (SBF) relying on the ICMA's Social Bond Principles (SBP). These Frameworks have been reviewed by an independent Second Party Opinion provider in line with the above-mentioned Principles. Belfius does not have specific targets established for the issuance of Green and Social bonds under its frameworks.

Belfius Green Bond Framework

Belfius issues Green Bonds to (re)finance eligible green loans and investments which enable the transition to a low carbon and climate resilient economy. By issuing green bonds, Belfius provides additional transparency around funded projects that carry environmental benefits. In 2024, Belfius has issued green bonds for a total amount of EUR 750 million.

Belfius Social Bond Framework

Following the implementation of its GBF, Belfius decided in March 2024 to publish a Social Bond Framework to issue Social Bonds that (re)finance eligible social loans and investments which aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes, especially but not exclusively for a target population. By issuing social bonds, Belfius will provide additional transparency around funded projects that achieve social benefits and wants to promote further investments into socially sustainable assets. In 2024, Belfius has issued social bonds for a total amount of EUR 575 million.

Reporting being a key component of the GBP and the SBP, Belfius will publish on an annual basis reports on the allocation of proceeds which will provide information such as:

- The amount of Green and Social Bonds outstanding;
- The (re-)financed Green and Social Portfolio, with a breakdown by eligible category;
- The balance of unallocated proceeds, if any.

The achieved KPIs: the positive social impact in relation to the Social Bonds and the environmental impact in relation the Green Bonds. These reports are reviewed by an external auditor which provides a Limited Assurance Report.

Governance

A dedicated committee, the Green & Social Bond Committee, has been put in place to manage topics relating to the issuance of Belfius Green and Social Bonds. The Committee's main responsibilities are the evaluation and the selection of the eligible Green/Social Assets as well as the review and the approval of the Green/Social Allocation and Impact Reports.

More information on the Belfius Green Bonds and Social Bonds, such as the full frameworks, the eligible green and social assets, the KPIs, the annual reports the governance, the Second Party Opinion and the Limited Assurance Reports, is available on https://www.belfius.be/about-us/en/investors/debt-issuance/green-social-bonds.

2.4.3. Meaningful Insurance

As a result of the DMA, the following Impacts, Risks and Opportunities have been identified as material:

Topic	IRO	Description	Value chain
Meaningful Insurance	Impact	Developing insurance products and insuring sectors supporting the climate transition.	Downstream
	Impact	Providing insurance products and insuring sectors contributing to energy based on fossil fuels or non-renewable energy sources.	Downstream
	Impact	Developing and promoting (re)insurance products that incentivize and reward climate change adaptation measures and efforts.	Downstream
	Impact	Developing insurance products and insuring sectors supporting and incentivizing biodiversity protection, preservation of forests and ecosystems.	Downstream
	Impact	Providing insurance products and insuring sectors contributing to the destruction of natural ecosystems.	Downstream
	Impact	Providing insurance to companies or sectors that may have an elevated risk of violating human rights or increased health and safety issues.	Downstream
	Impact	Encouraging and ensuring good working conditions for workers that are part of the insurance activities of Belfius.	Downstream
	Risk	A failure to consider climate change related events in the pricing of non-life insurances may lead to financial damages to Belfius due to unexpected claims.	Downstream
	Risk	Climate change related events, such as floodings and other natural disaster, may negatively affect customers' value and profitability leading to financial damages for Belfius in its insurance activities.	Downstream
	Opportunity	Development of new products and solutions to support climate mitigation and adaptation, may generate new revenue streams for Belfius insuring activities.	Downstream
	Opportunity	Design of products that address the issues of circular economy, including recycling, may generate new revenue streams for Belfius insuring activities.	Downstream

Belfius Insurance’s non-life insurance products are designed to protect its clients from life hazards, climate related catastrophes being one of them. In addition, through its life insurance activities, Belfius Insurance addresses key societal concerns such as healthcare and pensions, contributing to a more resilient Belgian society by helping customers manage financial risks they otherwise could not bear. Moreover, Belfius Insurance leverages its investment capabilities to advance essential infrastructures that support economic activities, providing companies with the necessary resources to grow their activities (see 2.4.3.2.). Furthermore, Belfius Insurance actively engages with and advocates change among its investees, suppliers and customers by encouraging sustainable behaviours.

2.4.3.1 Meaningful Insurance Journey

To address current and future environmental and social challenges, Belfius Insurance encourages virtuous behaviour by incorporating environmental parameters into its product offerings throughout its product lifecycle. Key environmental challenges such as Climate Change and Biodiversity are integrated into several policies. While there is no dedicated policy for circular economy yet, Belfius Insurance views it as a strategic opportunity that supports its broader environmental goals.

The Insurance journey at Belfius Insurance is a comprehensive process that encompasses various critical stages. From product management to customer servicing, each step is an opportunity for Belfius Insurance to embed ESG principles.

2.4.3.1.1. Product Management & Pricing

Belfius Insurance aims to address the evolving needs of its clients, particularly in the face of increasing environmental challenges. Recognizing the importance of safeguarding clients' assets and loved ones against the threats posed by natural catastrophes and other, Belfius Insurance aims to tailor its insurance products to provide protection and peace of mind.

Belfius Insurance's broader commitment to tackle climate change and protect the environment is translated into Belfius' CEP and is (see 2.). The policy outlines Belfius Insurance's dedication to proactively manage the impact of climate change on property and mobility insurance, ensuring that clients are well-protected amongst others against natural disasters. Within this context, the share of non-life insurance premiums that aligns with climate adaptation objectives, as defined by the EU Taxonomy, is measured. This measurement reflects Belfius Insurance's Green Non-Life Premium (see 2.5.4.2.).

In addition, ESG considerations are integrated in the Approval Process Policy. This policy mandates a rigorous approval process for new or revised insurance products and is overseen by the Management Board. During this process, a diverse group of internal experts and internal stakeholders conduct a comprehensive risk assessment, ensuring that Belfius Insurance's products are not only strategically sound but also reflective of its sustainability commitments.

Belfius Insurance's Product Oversight and Governance Policy, for which the Compliance department is accountable, applies to all insurance product falling within the scope of the Insurance Distribution Directive (IDD), except for those classified as "large risks". This policy guarantees that the insurance products are designed to match the characteristics, needs, and objectives (including sustainability objectives) of customers, therefore ensuring Value for Money.

Lastly, Belfius Insurance's Pricing Policy Non-Life, as approved by Belfius Insurance's Management Board, is designed to ensure that Non-Life insurance contracts are priced within profitability limits and in accordance with Belfius Insurance's risk appetite including Climate Risk (see 2.3.1.2.) This policy requires continuous monitoring and adjustment of pricing to secure coverage for future claims and expenses while providing an appropriate return on capital, all within the framework of regulatory guidelines.

Mobility

In the domain of Mobility Belfius Insurance engages in initiatives that promote sustainable practices and behaviours. Belfius Insurance's strategic approach to decarbonize and foster a more sustainable world is threefold: 1) avoid unnecessary emissions, 2) reduce those emissions, 3) replace technologies to more efficient ones.

Belfius Insurance contributes to avoiding GHG emissions by facilitating people who want to shift to another kind of mobility. Therefore, an All Risk Bicycle Insurance that provides comprehensive coverage for non-motorized vehicles traveling autonomously at speeds below 25km/h is offered. This includes protection against theft, material damage and breakdowns, even extending to flat batteries. The policy stands out in the Belgian market for its breadth of coverage and was honoured with a Decavi Award in 2022, 2023 and 2024 for its excellence. Additionally, Belfius offers a Complementary Bicycle Assistance. Within its personal assistance product for Belfius & DVV brands, Belfius Insurance offers bicycle assistance as part of its bicycle insurance package. This service provides an extra layer of security and convenience for cyclists, promoting the use of bicycles as a sustainable mode of transportation.

To contribute to reducing GHG emissions, Belfius applies its Pay-as-you-drive approach, a Mileage Insurance that rewards low mileage since 2006. This innovative product offers a personalized premium based on the anticipated annual mileage of the customer.

Lastly, Belfius Insurance supports clients who are willing to replace ordinary vehicles by electrical or less polluting ones, defined as a combination of CO_2 emission and expected number of driven kilometers, by offering discounts of up to 20% to their insurance premium.

Property

As for mobility, Belfius Insurance offers incentives that could encourage virtuous behaviours in the domain of property as well. Within this context, Belfius Insurance gives incentives for energy efficient buildings by offering a 15% discount for owners of new or fully renovated buildings that are less than ten years old. An additional eco-discount of 5% exists for buildings that have an EPC under 150 kWh/m². In 2024, 39% of new or fully renovated buildings that are less than 10 years old benefited from the Green reduction with a total of 20% reduction on their premium.

2.4.3.1.2. Underwriting

Belfius Insurance's underwriting process involves evaluating and selecting insurance risks for inclusion in its portfolio. The Underwriting Policy, overseen by the Board of Directors, mandates to identify, measure, and only accept risks that align with the company's strategy and risk appetite. This policy, along with the Minimum Standards and Underwriting Guidelines, ensures that Belfius Insurance carefully selects the insurance risks it incorporates into its portfolio based on the customers it underwrites.

In the realm of non-life insurance, Belfius Insurance plays a crucial societal role by providing coverage against a wide array of risks. It is Belfius Insurance's duty to offer protection against a variety of catastrophes and unforeseen events that can significantly impact individuals, families, and businesses.

Additionally, Belfius' TAP (see 2.4.) which also applies to Belfius Insurance and specifies particular elements, including those related to Climate Change, Biodiversity and Human rights, which are essential for underwriting business clients. Clients that are in breach of the TAP are excluded from obtaining insurance. As of 2022, 100% of the customers it underwrites are TAP-compliant. Alongside the TAP, Belfius Insurance's Human Rights commitments are also covered within the Human Rights Policy (see 3.2.)

2.4.3.1.3. Servicing

Servicing clients throughout the lifetime of their insurance contracts is a crucial aspect of maintaining a strong customer relationship. By weaving sustainable practices into its service delivery, Belfius Insurance do more than just maintaining a strong customer relationship – it strives to have a positive impact on the environment as well which is aligned with Belfius' CEP (see 2.).

Belfius Insurance takes actions to enhance and improve the claim introduction for its clients as specified below:

- Proactive damage prevention: In a proactive measure to prevent damage, Belfius Insurance leverages forecasts from the Royal Meteorological Institute to inform and advise customers. Throughout 2024, 6 sets of prevention advice were issued, covering various weather events including storms, thunderstorms, and heatwaves. The objective of this advice is to empower clients to take pre-emptive actions to mitigate potential damages from these natural occurrences.

- Enhanced client information: Belfius Insurance is committed to providing clear and comprehensive information to assist clients in their claims handling process. Recognizing the significant impact of natural catastrophes, such as floods and storms, specialized information resources to guide clients through these challenging events have been developed. This effort not only facilitates a smoother claims process but also helps clients understand the necessary steps and what to expect during such incidents.

- Mybo: To increase the efficiency and ease of the claims filing process, Belfius Insurance has developed a dedicated tool named MyBo. MyBo serves as the preferred channel for claims communication, particularly in the event of a natural catastrophe. This innovative platform streamlines the claims process, allowing for timely and effective communication between clients and Belfius Insurance.

- Natural disasters – crisis plan: Belfius Insurance has a comprehensive CatNat plan designed to respond effectively to natural disasters. This CatNat plan encompasses four distinct scenarios, tailored to the severity of the disaster. n 2024 Belfius Insurance revised its CatNat plan to include a new scenario that addresses multiple small events occurring in succession, collectively generating a significant amount of work. This new scenario replaces the previous one, which only considered a single small event. The enhanced CatNat plan further improves Belfius Insurance's claims process during natural disaster events.

In addition, Belfius Insurance is committed to make its claims handling process more sustainable. Within this context the following actions are taken:

- Compensation for up-to-date building standards: Belfius Insurance acknowledges the importance of sustainable building practices. In the event of a property claim, it ensures that the compensation provided accounts for the additional costs of complying with current building standards. This approach not only aids in the restoration of the property but also encourages the reduction of the carbon footprint of buildings.

- Repair process with Jaimy: In collaboration with Jaimy, Belfius Insurance's privileged partner in repair-in-kind services, it offers an end-to-end solution for property refurbishment post-claim. Jaimy's extensive network of contractors enables us to expedite the claims handling process, reducing wait times and enhancing customer satisfaction.

- Remote assessment of home claims files: Belfius Insurance strives to conduct as many claim assessments as possible remotely, leveraging technology to minimize the environmental impact of its experts' travel. The collaboration with CED, a provider of expert services and tech-enabled solutions, enhances Belfius Insurance's ability to manage claims efficiently and sustainably.

- Mobility budget option in assistance services: To further the commitment of reducing ecological footprints, Belfius Insurance provide clients with the option to choose a mobility budget in lieu of a replacement vehicle following an accident or breakdown. This initiative encourages the use of more sustainable transportation alternatives.

- Sustainable vehicle repairs: In 2024, Belfius Insurance updated its collaboration agreement for recognized repairers to explicitly incorporate ESG criteria. For instance, the agreement requires that the recognized repairer must hold a sustainability label such as Long Life Repair or Duurzaam Repareren. Additionally, the agreement now includes an ESG framework aimed at informing partners about Belfius Insurance's commitment to sustainable technological development and corporate social responsibility. Overall, the ESG framework requires the repairers to prioritize sustainable repair techniques, the use of quality equivalent or reused parts, and the provision of more environmentally friendly replacement vehicles or alternative transport options. Repeated and ongoing failure to adhere to these guidelines may result in the termination of the current cooperation contract.

Lastly, to improve and further elaborate services in terms of sustainability Belfius Insurance provide additional coverage for its clients:

- Coverage for energy-efficiency improvements: In recognition of the importance of sustainability, Belfius Insurance's underwriting conditions now include coverage for customer initiatives that enhance the energy efficiency of buildings. This includes the installation of solar panels, heat pumps, batteries, and charging stations, all at no additional cost to the policyholder. Such measures not only support the transition to a low-carbon economy but also provide customers with the assurance that their efforts towards sustainability are protected.

- Coverage liability for borrowed items (Family Insurance): Embracing the concept of shared economy, Belfius Insurance's family insurance policies have evolved to cover the policyholder's liability for damage to borrowed items. This extension of coverage acknowledges the shared economy's role in reducing CO_2 emissions.

- Coverage for electric vehicle owners: Belfius Insurance's breakdown assistance coverage is tailored to support owners of electric vehicles. In cases of flat batteries, it provides a boost charge to help customers continue their journey. Additionally, the charging cable and other accessories under its (Mini-) Omnium is covered in case of theft or damage, along with any other accessories. This ensures that the essential components of electric vehicles are protected, encouraging the shift towards greener transportation options.

2.4.3.2. Meaningful management of Belfius Insurance's reserves

The majority of Belfius Insurance's reserves is invested in three categories namely: mortgages, corporate equities & bonds and real estate. Only the latter two categories are covered in the section below as the former is managed on group level (see 2.4.1.2.)

2.4.3.2.1. Corporate equities & bonds

At the end of 2024, 26.46% of Belfius Insurance's investment portfolio (EUR 4 billion of a total amount of EUR 15.1 billion) was invested in corporate equities & bonds.

For this category, Belfius Insurance has developed a threefold investment process aiming at contributing to the United Nations Sustainable Development Goals:

1) Compliance with Belfius' TAP

Investments are not allowed in companies or sectors that do not comply with the TAP (see 2.4.). As of 2022, Belfius Insurance has achieved full compliance of its investment portfolio with the TAP, successfully meeting the established target.

2) Integration of ESG criteria

Belfius Insurance proactively integrates ESG criteria into its investment portfolio, placing a strong emphasis on supporting investees who are actively engaged in their transition towards increased sustainability. The focus is on integrating businesses willing to mitigate the effects of climate change by reducing their GHG emissions in line with the Paris Agreement. In 2023, this criterion was incorporated into the Investment Risk Framework (IRF) for all new investments, aiming to create a portfolio that contributes to the global effort to combat climate change by aligning investments with the urgent need for environmental responsibility. The objective of the IRF policy is to align Belfius Insurance's investment activities with its risk appetite by setting operational limits for various investment instruments, considering factors such as concentration, price volatility, liquidity, and credit quality. The IRF, for which the Alco is accountable, is applicable to all activities and all trades done by Belfius Insurance and by its subsidiaries that are fully consolidated.

By the end of 2024, 42% of the listed companies within Belfius Insurance's investment portfolio established SBTi targets to lower their carbon emissions.

3) Active engagement and interaction with investee companies

Belfius Insurance is committed to being an engaged investor. The strategy extends beyond financial contributions and includes active participation and influence through proxy voting. In accordance with Belfius Insurance's Engagement Policy, interactions with investee companies are purpose-driven conversations aimed at evaluating and influencing companies' practices, especially in relation to ESG matters. The Engagement Policy, for which the Alco is accountable, is aligned with the UN SDGs and the UNEP FI Principles for Sustainable Insurance. Based on the insights gained from these dialogues, Belfius Insurance is willing to take necessary actions regarding its position in these companies, particularly if adjustments are required to align with sustainability goals and ethical standards.

2.4.3.2.2. Real estate

At the end of 2024, 5.40% of Belfius Insurance's investment portfolio (EUR 816 million of a total amount of EUR 15.1 billion) was invested in real estate.

Belfius Insurance's IRF (see 2.4.3.2.1.) sets out the guiding principles to follow when considering making a new direct property investment, including sustainability consideration. This policy, along with Belfius Group's CEP (see 2.), guide Belfius Insurance in the real estate investments it makes.

Direct real estate

- Direct real estate investments are mainly focused on new or recent properties within walking distance of major railway stations or mobility centres. These acquisitions score extremely well in terms of energy consumption therefore, as well as in public transport accessibility. A prime example of this approach is the acquisition in January 2024 of a 10,000 m2 office building in Mons, located within walking distance of Mons railway station and that has been certified BREEAM Very Good. In 2024, two buildings of Belfius Insurance are certified with the BREEAM rating equivalent of "Very Good" and one with the equivalent of "Excellent". Concerned about the environmental impact of the real estate portfolio, Belfius Insurance calculated the GHG emissions from the direct real estate investments and set a target to reduce emission by 2030 (see 2.2.2.1.). In partnership with Sureal, a consultant specializing in the sustainability of the real estate sector, a global ESG analysis of the portfolio was launched in 2024. The aim of the analysis is to propose action plans to improve the energy performance of Belfius Insurance's buildings, reduce the carbon footprint, and establish improvement paths on social and governance aspects.

- Decarbonized mobility is of prime importance to Belfius Insurance, and it recognizes the growing importance of electric vehicles in reducing carbon emissions. Belfius Insurance is therefore investing in comprehensive electric vehicle charging infrastructure in its portfolio. In 2024, 32 double charging stations are installed at Alverberg Business Park in Hasselt, contributing to the transition towards environmentally friendly transportation methods. In addition, these amenities are accessible to the public during evening hours and weekend. This decision will increase the availability of convenient sustainable charging options, thereby encouraging the adoption of electric vehicles by the wider community. Belfius Insurance is actively investigating further investments in electric vehicle charging infrastructure with the goal of becoming a key player in promoting sustainable transportation solutions.

- Benefit biodiversity: Belfius Insurance also wants its real estate investments to benefit biodiversity as is stipulated in the CEP (see 2.). Within this context, Belfius Insurance's efforts were recognized in 2023 when green spaces surrounding the MC2 building in Louvain-la-Neuve were awarded the Natagora "Réseau Nature" label, symbolizing the commitment to environmental conservation at this site. This recognition underscores the adherence to five critical criteria:

    - refraining from the use of chemical pesticides;
    - preserving natural habitats and avoiding engaging in human activities that lead to their destruction;
    - favouring indigenous plants that exist in the wild in their region;
    - encouraging the spontaneity and diversity of wildlife;
    - combating invasive species.

Natagora granted the label after an 18-month evaluation period, which was essential to ensure that Belfius Insurance's practices met the high standards set for environmental stewardship and biodiversity preservation. Natagora continued to monitor the site in 2024, and a renewal of the label is expected in the course of 2025. Convinced by the first experience with Natagora, Belfius Insurance decided to renew the collaboration on its new site Renouv'o in Mons, whose exterior plantings were studied with Natagora. Those works will be completed in Q1 2025. The site will be inspected by Natagora during the 2025 summer with the aim of obtaining labelling in 2026. In addition, for the property Galilée, an agreement was signed with the co-owner INAMI to completely redevelop the surroundings of the building to promote, restore, conserve, and ensure the integration of biodiversity on the site.

2.5. EU Taxonomy

2.5.1. Introduction

In 2018, the European Commission released the Sustainable Finance Action Plan. One of the key elements of this plan was the EU Taxonomy, an ambitious market transparency tool aimed at directing investments towards the economic activities most needed for the transition, in line with the objectives of the European Green Deal.

The EU Taxonomy Regulation provides a classification system of economic activities that can be considered as environmentally sustainable. This classification enables a comparison of the sustainability performance of economic actors in the EU and is based on six environmental objectives:

1) Climate change mitigation;
2) Climate change adaptation;
3) Sustainable use and protection of water and marine resources;
4) Transition to a circular economy;
5) Pollution prevention and control;
6) Protection and restoration of biodiversity and ecosystems.

To qualify as environmentally sustainable, an economic activity must:

(1) substantially contribute to one of the six environmental objectives of the EU and

(2) do not significantly harm any of the other five environmental objectives, in accordance with specific criteria defined by the EU. In addition, the company carrying out this activity must:

(3) prove that it respects certain minimum safeguards. The minimum safeguards ensure that companies engaging in sustainable activities also meet certain standards when it comes to human and labour rights, bribery, taxation and fair competition.

2.5.1.1. Disclosure obligation

Article 8 of the EU Taxonomy Regulation imposes a disclosure obligation. It requires in-scope entities to include in their non-financial statements or consolidated non-financial statements, information on how and to what extent their activities are associated with sustainable economic activities.

Since 2021, in-scope entities, namely undertakings subject to the Non-Financial Reporting Directive (NFRD)[24] have included EU Taxonomy-related information in their non-financial statements. With the adoption of the CSRD whose application in phases began in January 2025, this disclosure obligation will progressively be extended to a broader set of companies.

The content and format of the information to be disclosed, specifically key performance indicators (KPIs) in relation to the portion of activities associated with environmentally sustainable activities are specified in the Disclosure Delegated Act.

2.5.1.2. Eligibility and alignment

The introduction of the EU Taxonomy enables companies to assess their sustainability performance by quantifying the proportion of their activities that are in the scope of the EU Taxonomy and that could therefore be considered as environmentally sustainable (the "eligibility"). This assessment is based on "technical screening criteria" set out by the EU to evaluate whether an economic activity is considered as "environmentally sustainable" (the "alignment").

Assessing the sustainability of economic activities represents a new system of sustainability accounting, based on traditional financial accounting systems. Sustainability calculations focus not only on the turnover of companies, reflecting their current performance and how their revenue associated to their core business operations aligns with the environmental objectives of the EU Taxonomy, but also on their capital and operating expenditures (CapEx and OpEx). Considering a company's expenditures signals its proactiveness in achieving better environmental performance and ensuring long-term resilience.

2.5.1.3. Nuclear and fossil gas related activities

Both financial and non-financial companies are required to make additional specific disclosures relative to their involvement in nuclear and fossil gas activities. This disclosure aims at enhancing market transparency concerning investments in six nuclear and fossil gas activities as described in the EU Taxonomy, namely:

[24] The NFRD applied to large public-interest entities with over 500 employees. This included listed companies, banks, insurance companies, and other entities designated by national authorities as public-interest entities.

1) Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle;

2) Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies;

3) Electricity generation from nuclear energy in existing installations;

4) Electricity generation from fossil gaseous fuels;

5) High-efficiency co-generation of heat/cool and power from fossil gaseous fuels;

6) Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.

This disclosure requirement should help investors differentiate among the activities they are investing in. With this specific disclosure, investors unwilling to invest in nuclear and fossil gas activities can easily identify and choose activities and financial products without exposure to economic activities in the nuclear and gas sectors.

2.5.2. Scope of Belfius' EU Taxonomy disclosures

As a large group, Belfius was previously required to publish a non-financial statement under the NFRD. With the transition to the CSRD, it now prepares a sustainability statement, while remaining subject to the EU Taxonomy disclosure obligation.

Belfius reports at consolidated level the following KPIs:

- KPIs for banking activities performed by Belfius Bank;
- KPIs for insurance and reinsurance activities performed by Belfius Insurance;
- KPIs for asset management activities performed by Belfius AM;
- KPIs for nuclear and gas-related activities.

Moreover, to fulfil its requirements of reporting at group consolidated level and facilitate EU Taxonomy disclosures by its investors and creditors, **Belfius computed a consolidated group-level KPI** in the form of a weighted average of the corresponding KPIs for, banking, insurance and reinsurance and asset management activities with weightings in accordance with the proportion of turnover derived from the corresponding activities in the total consolidated turnover of Belfius.

2.5.3. Belfius' EU Taxonomy strategy

So far, **Belfius has used the EU Taxonomy as a means to identify climate solutions and financing opportunities**, and in particular as a metric enabling the group to better track its contribution to financing assets that are making a positive contribution to environmental objectives.

In 2022, Belfius Bank launched its "**Ambition Loans & Lease**", which are products following the description of the activities listed in the EU Taxonomy for a selection of use of proceeds related to real estate, mobility, transport and waste and water activities. These loans and lease products are therefore Taxonomy-eligible and constitute a first attempt to integrate Taxonomy activities into Belfius Bank's offer. These loans and lease products are however not Taxonomy-aligned, meaning that they are not (yet) fulfilling all the technical screening criteria of the EU Taxonomy.

Belfius also uses the EU Taxonomy to **engage with its clients** to improve the alignment of their own activities with the EU Taxonomy.

2.5.4. Belfius' EU Taxonomy disclosures

After reporting on the eligibility and alignment of its exposures under the EU Taxonomy's two climate objectives, Belfius is, for the first time, reporting on the eligibility of its exposures to the four remaining environmental objectives. This represents a valuable opportunity to assess how these additional objectives can be integrated into its broader strategy, reinforcing Belfius' commitment to sustainability and aligning its activities with environmental priorities.

As a financial institution, to prepare its EU Taxonomy reporting, Belfius relies on the latest available EU Taxonomy data published by its clients and investees. This involves collaborating with **specialized ESG data providers** to collect and organise such data.

Belfius has taken a considerable level of caution in its reporting practices. In many instances, Belfius reports 0% of EU Taxonomy alignment, as compliance with all technical screening criteria as set out in the Disclosure Delegated Act and in light of the latest interpretations of the European Commission, is not achievable in the absence of the necessary information and/or available evidence.

By openly acknowledging instances where criteria are not met or information and/or evidence is unavailable, Belfius aims to provide stakeholders with **accurate and truthful insights** into its environmental impact, reinforcing its commitment to responsible and transparent reporting.

Finally, in preparing its mandatory EU Taxonomy reporting, Belfius adheres to a **meticulous approach to prevent any instances of double counting**.

The following subsections present **Belfius' EU Taxonomy disclosures for the 2024 financial year**, categorized by business segments (banking, insurance and reinsurance and asset management).

Please refer to the Appendix for Belfius' full disclosure under the EU Taxonomy Regulation in the format of the mandatory reporting templates.

2.5.4.1. Belfius as a credit institution

As a credit institution, Belfius Bank's EU Taxonomy disclosure is based on the scope of its prudential consolidation determined in accordance with Regulation (EU) 575/2013 of the European Parliament and Council.

Belfius Bank's main KPI is the **Green Asset Ratio (GAR)**. The GAR is a ratio showing Taxonomy-aligned financial assets as a percentage of Belfius Bank's banking books and **demonstrates the extent to which the activities it finances are environmentally sustainable.**

The following chart presents a summary of Belfius Bank's GAR on both its **stock** (i.e., all assets on Belfius Bank's balance sheet on 31 December 2023) and **flow** (i.e., new production in 2024). It also provides insight into the level of alignment of financial guarantees and assets under management.

The **KPIs based on turnover** represent the share of financing that Belfius Bank provides to clients deriving revenues from sustainable activities and the **KPIs based on CapEx** show how much its clients invest in sustainable activities.

		GAR based on turnover	GAR based on CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Main KPI	**GAR (on stock)**	0.12%	0.15%	78.59%	41.31%	21.41%
Additional KPIs	**GAR (on flow)**	0.08%	0.09%			
	Financial guarantees	6.80%	12.30%			
	Assets under management	0.01%	0.16%			

Grasping Belfius' GAR: what is in there?

Belfius Bank's GAR provides a comprehensive insight into Belfius' commitment to financing sustainable initiatives, primarily focusing on the support extended to large companies subject to NFRD disclosure obligations. These companies predominantly operate in sectors crucial for environmental sustainability, including electricity transportation, and the manufacturing of electrical engines, generators, and transformers. These counterparties however only represent 4% of Belfius Bank's total assets.

The largest share of Belfius Banks' total assets (25%) corresponds to residential real estate activities to households (mortgages).Taxonomy-alignment for these exposures amounts to 0% as, at this stage, the technical screening criteria of the EU Taxonomy are too complex to meet and prove.

21% of Belfius Bank's total assets are excluded from the GAR calculations, i.e. trading book as well as financing granted to central government, central banks and supranational issuers. Due to the federal structure of the Belgian State, the three regions (Flanders, Wallonia, and Brussels) are considered as central governments. As a result, many loans and advances to regions, particularly in the "*Public and Social Banking*" segment are therefore excluded from the GAR and cannot be accounted as sustainable.

41% of total assets are attributed to non-EU counterparties, non-listed large companies and small and medium-sized enterprises, amongst others, with a default alignment of 0% as per the EU Taxonomy disclosure rules.

Several limitations of the GAR should be kept in mind.

While the GAR has been designed to compare credit institutions' environmental efforts, its effectiveness is hampered by the limited coverage of assets and the asymmetry between its numerator and denominator.

Exposures to companies not subject to NFRD disclosure obligations are excluded from the GAR numerator but not its denominator. In practice, this means that all the exposures to such companies (e.g. non-listed large companies, SMEs), enter the total assets of the GAR (denominator) but cannot be accounted as sustainable (numerator).

Therefore, the current GAR structure places banks with significant exposures to excluded counterparties at a structural disadvantage.

For these reasons, Belfius' GAR (on stock) based on the turnover of its counterparties is at 0.12% and on their CapEx is at 0.15%.

Belfius Bank is actively working on the improvement of its GAR and it sees this as a challenge to overcome.

Its approach involves strengthening its data strategy and expanding information collection processes. It is also committed to raising awareness among its clients regarding sustainable financing and investment and engaging in discussions with the sector to foster collective efforts.

Belfius believes that the sustainability of credit institutions should be assessed with regards to the GAR but read in conjunction with additional ESG disclosure requirements. For instance, the ESG Pillar III reporting includes, amongst others, disclosure on the level of alignment of exposures towards companies not subject to NFRD (for the calculation of the Banking Book Taxonomy Alignment Ratio (BTAR)), as well as specific reporting on climate change mitigating actions[13], that can provide more accurate insights into the environmental impact of its activities.

Belfius' mortgage portfolio

As a retail bank, a significant portion of Belfius Bank's exposures consist of **mortgages to households**.

In line with the European Commission's guidelines, **Belfius reports a 0% alignment with the EU Taxonomy** in the absence of the verification (and proof thereof) of the **"Do No Significant Harm" condition to the objective of climate change adaptation**.

This approach ensures Belfius' GAR is not artificially inflated.

2.5.4.2. Belfius as an (re)insurer

The contribution of Belfius Insurance to the EU's environmental objectives is expressed by two key metrics:

- an underwriting KPI reflecting the actual contribution of its underwriting activities to climate change adaptation;
- an investment KPI indicating the actual contribution of its investment portfolio to the climate objectives.

Underwriting KPI

The EU Taxonomy considers that **underwriting non-life insurance and reinsurance activities** for climate-related perils has the potential to provide adaptation solutions and prevent adverse impacts of climate change. In other words, the EU Taxonomy considers how the insurance and reinsurance industries and, more specifically, their products and services are helping policyholders adapt to climate change risks, and prevent or protect against climate-related perils[14] (such as, for example, hail, windstorms or other natural hazards).

The current scope of application of the EU Taxonomy to insurance products and services is limited to the **climate change adaptation objective** that aims to reduce or prevent the adverse impact of current or expected future climate changes, and the risks of such adverse impact. The non-life insurance and reinsurance industries play a pivotal role in providing protection against climate-related risks in this respect, incentivizing risk reduction measures, and supporting recovery and rebuilding efforts in the aftermath of climate-related events.

Two business lines within Belfius Insurance's offer foresee climate-related perils, namely (i) other motor insurance (i.e. omnium car) and (ii) fire and other damages to property insurance. The proportion of premiums related to the cover of climate-related perils in these two lines of business represent 12.13% of the overall amount of premiums at consolidated level.

Assessing Taxonomy-alignment of Belfius Insurance's underwriting activities involves verifying whether a substantial contribution is made to the climate adaptation objective. The technical screening criteria for making a substantial contribution are structured into five distinct tiers: (i) leadership in modelling and pricing of climate risks, (ii) product design, (iii) innovative insurance coverage solutions, (iv) data sharing, and (v) high level of service in post-disaster situation.

Belfius Insurance adopts a nuanced approach that acknowledges the unique characteristics of each type of line of business and the specific nature of every climate-related peril. This strategy stems from the understanding that a singular, blanket solution is impractical, as the dynamics of EU Taxonomy alignment may vary significantly across different lines of business and risks.

Belfius Insurance is currently reporting 0% alignment given that it has not yet met the criterion of having a forward-looking pricing model. The central discussion surrounding the forward-looking model revolves around determining an appropriate timeframe, particularly due to the disparity between the short-term nature of contracts and the long-term implications of climate change. Requirements for integrating forward-looking scenarios into pricing frameworks are ambiguous, and there is currently no sector-wide consensus on this matter. Belfius Insurance therefore decided to take a cautious approach in its efforts to meet this criterion and await further guidance on interpretation, as well as information as to whether additional actions are necessary.

Investment KPI

The following chart provides an overview of Belfius Insurance's Green Investment Ratio (GIR), i.e. the proportion of Taxonomy-aligned investments managed in the value of all covered assets under management. In other words, this table presents the amounts and percentage of Belfius Insurance's sustainable investments.

The weighted average value of **all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, relative to the value of total assets covered by the KPI:** Turnover-based: 0.82% CapEx-based: 1.24%	The weighted average value of **all the investments that are directed at funding, or are associated with, taxonomy-aligned economic activities**: Turnover-based: EUR 113 million CapEx-based: EUR 171 million
The **percentage of assets covered by the KPI relative to total investments (total AuM)**. Excluding investments in sovereign entities. Coverage ratio: 68.49%	The monetary value of **assets covered by the KPI.** Excluding investments in sovereign entities. Coverage: EUR 14 billion

Belfius Insurance's investment strategy is primarily driven by liability considerations, with the main objective being to meet its contractual obligations to policyholders, encompassing pension products, insurance-based investment products, non-life products, and more.

Employing a buy-and-hold strategy for fixed-income assets, it focuses on relatively lower-profile risk investments, defined by Solvency II, such as investments in sovereigns. In this context, a large part of Belfius Insurance's total assets under management are sovereign exposures (30% of all investments), which are excluded from the GIR's scope.

The proportion of Belfius' exposures to undertakings subject to NFRD disclosure obligations is quite low (7% of all investments) and the majority of Belfius Insurance's exposures pertain to "other counterparties and assets" (23% of all investments). This category includes Belfius Insurance's mortgage portfolio and direct investments in real estate assets, which are placed on the market for rental purposes. Similar to the challenges faced by Belfius Bank, Belfius Insurance encounters difficulties with the "Do No Significant Harm" condition for its mortgage portfolio. Regarding its direct investment in real estate assets, Belfius Insurance is actively working with a consultancy firm to make buildings in its portfolio more sustainable and in line with the EU Taxonomy criteria.

A large part (22% of all investments) of Belfius Insurance exposures are investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, i.e. Branche 23 products. However, it has proven difficult to capture EU Taxonomy data for these investments.

It results from the above that Taxonomy-aligned exposures of Belfius Insurance based on turnover amount to 0.82% and, based on CapEx, amount to 1.24%.

2.5.4.3. Belfius as an asset manager

The following chart provides an overview of Belfius AM's Green Investment Ratio (GIR).

The weighted average value of all the **investments that are directed at funding, or are associated with, taxonomy-aligned economic activities relative to the value of total assets covered by the KPI**: Turnover-based: 0.92% CapEx-based: 1.26%	The weighted average value of all the **investments that are directed at funding, or are associated with, taxonomy-aligned economic activities:** Turnover-based: EUR 331 million CapEx-based: EUR 457 million
The percentage of **assets covered by the KPI relative to total investments (total AuM).** Excluding investments in sovereign entities. Coverage ratio: 99.48%	The monetary value of **assets covered by the KPI.** Excluding investments in sovereign entities. Coverage: EUR 36 billion

The analysis of Belfius AM's exposures reveals a small proportion (12% of all investments) of exposures to companies subject to NFRD disclosure obligations but nevertheless slightly higher than those of Belfius Bank and Belfius Insurance.

Most of Belfius AM's exposures (79% of all investments) fall under the category of "other counterparties and assets". Notably, this category predominantly comprises external investment funds for which it has no details on the underlying counterparties nature and therefore no EU Taxonomy data.

The percentages of Taxonomy-aligned investments of Belfius AM are quite similar to the ones of Belfius Insurance, amounting to 0.92% based on turnover, and to 1.26% based on CapEx.

3. Social information

3.1. Own workforce

Belfius mission to be "Meaningful and inspiring for Belgian Society. Together" includes the preface that employees have an essential role in the success of the strategy and operations. Belfius aims to provide good working conditions such as appropriate pay, access to health care, freedom of association. Attract and retain adequately talented and motivated employees are essential to ensure services of high quality, customers satisfaction and fidelization in parallel of financial results. Successful innovation and digitalization of the workplace, amongst others, by utilizing AI, may lead to higher quality of services and an improved work environment and performance for our employees.

More detailed information on the process for identifying and assessing material Impacts, Risks, and Opportunities, is provided in section 1.6.1.

As a result of the DMA, the following Impacts, Risks and Opportunities have been identified as material:

Topic	IRO	Description	Value chain
Own workforce	Impact	Empowering its employees by providing good working conditions such as good pay, access to health care, freedom of association, …	Own operations
	Risk	Failure to attract or retain adequately talented employees may lead to a decline in services quality, leading to customers loss and decreased revenue.	Own operations
Innovation and digitalization	Opportunity	Digitalization may lead to higher quality of services and an improved performance of our own employees.	Own operations

In 2024, Belfius Group counted 7,198 staff members, of which 99% had permanent contracts and of which 86% had a full-time work regime. This results in an average FTE of 6,767 as can be found in "Note 7.10. Staff expense" of the consolidated financial statements.

Belfius also works with contractors, third parties, temporary workers and trainees. These persons are considered equal to internal employees under the wellbeing law and therefore have the same rights and obligations.

Belfius has applied phase-in on the following disclosures regarding the own workforce:

- S1-7: metrics related to non-employees.
- S1-12: metrics related to persons with disabilities.

Evolution number of active employees in the Belfius Group (headcount)[1]

Type of contract	2023			2024		
	Male	Female	Total	Male	Female	Total
Permanent contract	3,506	3,394	6,900	3,629	3,510	7,139
Fixed-term contract	25	14	39	39	20	59
TOTAL	**3,531**	**3,408**	**6,939**	**3,668**	**3,530**	**7,198**

Evolution number of active employees working full-time/part-time in the Belfius Group (headcount)[1]

Work regime	2023			2024		
	Male	Female	Total	Male	Female	Total
Full-time	3,403	2,547	5,950	3,534	2,671	6,205
Part-time	128	861	989	134	859	993
TOTAL	3,531	3,408	6,939	3,668	3,530	7,198

(1) All of the figures relating to staff are for the "active" headcount (unless stated otherwise) on 31/12/2024, i.e. excluding employees taking early retirement, on long-term sick leave, full-time time credits, on secondment.

The age pyramid included in the following table shows the distribution of the number of staff members by age group. These figures show that 47% of employees at Belfius are more than 50 years old and demonstrates that ageing is one of the major challenges of the near future Belfius is now anticipating and working on.

Employees by age

Age category	2023		2024	
	#	%	#	%
20-29	716	10%	817	11%
30-49	2,907	42%	2,994	42%
50 and +	3,316	48%	3,387	47%
TOTAL	6,939	100%	7,198	100%

3.1.1. Labor practices and human rights

Belfius respects the rights of its employees and in turn expects the employees to respect Belfius' human rights values, as stated in Belfius' Human Rights Policy and the Code of Conduct, requiring an honest and ethical attitude at work. The management board is responsible for the implementation of the policy.

Guided by Belgian law, human rights and labour regulations, Belfius formally forbids child and forced labour across all its activities. In line with the International Labour Organization's (ILO) conventions and local/EU regulations, Belfius demonstrates absolute respect and compliance for its employees' right to participate in collective bargaining and freedom of association. In 2024, 94.6% of Belfius Bank and Belfius Insurance employees were covered by collective bargaining agreements and were represented by workers' representatives. Which results in all employees working in an establishment in which employees are represented by workers' representatives. The CLA No. 5 of the NAR dated 24 May 1971 on the status of trade union delegation of personnel within companies, states that the representative workers' and employers' organisations express agreement with the following principles:

- Workers recognize the necessity of the legitimate authority of the heads of enterprises and perform their work scrupulously;
- Employers respect the dignity of workers and treat them fairly. They undertake not to hinder, either directly or indirectly, their freedom of association and the free development of their organization within the company.

Enterprise representatives and trade union delegates are under all circumstances expected to demonstrate a sense of justice, fairness and conciliatory spirit towards good labour relations in the company and are expected to combine their efforts to comply with social legislation, collective agreements and labour regulations.

The management body is responsible for setting the social strategy, policies and risk framework, as well as supervising and managing their implementation. Conversely, employees are bound to perform their assigned work with care and observe professional secrecy, particularly regarding confidential information that could cause damage to the company, both during and after the execution of the employment contract.

Discrimination of individuals on the basis of personal characteristics such as, amongst others, gender, ethnic origin, skin colour, age, disability, sexual orientation, religion, political convictions or social origin has no place in Belfius' corporate culture. This is enshrined in the Anti-discrimination Policy. Belfius applies a zero tolerance policy towards violence in the workplace including verbal, physical and sexual harassment. Grievance mechanisms and remedies are in place to ensure that concerns are heard, thoroughly investigated and addressed in a timely matter. The management board is responsible for the implementation of the policy that applies to:

- all employees working within the Belfius group, both permanent and temporary staff, regardless of their capacity or status (e.g., external employees, interns, employees, self-employed persons, temporary workers, etc.)
- the members of the board of directors of Belfius Bank, both executive and non-executive members

- all members of the corporate bodies of the other companies belonging to the Belfius group.

Belfius undertakes actions in the fight against discrimination. For instance, it participated in the Multicultural Banker Belgium event on March 21, 2024, which coincides with the International Day against Racism and Discrimination. Belfius has signed the Charter of Multicultural Bankers Belgium, demonstrating its commitment to actively promote diversity and inclusion. Furthermore, Belfius has also signed the Amsterdam Charter. By signing the Declaration of Amsterdam, businesses can begin their journey towards LGBTIQ+ inclusivity. This involves developing inclusive corporate cultures, creating supportive working environments for LGBTIQ individuals, demonstrating active leadership and role models, and fostering collaboration between employers and the LGBTIQ+ community.

Belfius also expects its customers, suppliers, external service providers, intermediaries, business partners, or otherwise affiliated persons or entities to adhere to the same strict rules as those contained in the Anti-Discrimination policy.

Belfius respects the privacy of employees and acknowledges that data privacy issues are human rights issues. Compliance with Global Data Protection Regulation (GDPR) is a crucial aspect in the processes to guarantee privacy and protection of personal data. More information regarding GDPR implementation can be found in section 3.3.2.

Belfius' remuneration policy is gender-neutral and non-discriminatory. All employees are linked to a gender-neutral job description, which is linked to a remuneration policy using an objective grading methodology. The remuneration policy ensures equal access to all available positions within the company without gender distinction and applies a uniform system of remuneration for the same category of employees. As stated in our collective agreement, all employees, no matter their grade or job are allowed to work part-time. All employees are covered by social protection, through benefits offered by Belfius, against loss of income due to any of the following life events; sickness, unemployment starting from when the employee is working for Belfius, employment injury and acquired disability, parental leave and retirement. Belfius offers a significant added insurance package above government obligations.

Remuneration consists of fixed pay, the possibility to obtain variable pay, a package of benefits such as meal vouchers and a package of insurances (e.g. Group insurance, hospitalization, ambulatory care…). Each year, all employees undergo a review to ensure they are compensated at or above the sector's minimum wage, according to their job role and level of experience. A yearly benchmark via an external provider is conducted to compare all employees to their respective reference market.

Belfius strives for equal remuneration for equal responsibilities and experience and discusses, measures and reports evaluations, remunerations and promotions within the competent bodies on an annual basis. In 2024, the unadjusted gender pay gap is 11% for Belfius based on monthly salary. This unadjusted gender pay gap is only calculated on the basis of gender, without considering other significant factors such as seniority, job function or educational level, which are essential for achieving equal pay for comparable work.

The annual total remuneration ratio within Belfius is 13.4:1. The remuneration ratio represents the total remuneration of the highest paid individual over the median employee total remuneration; taking into account base salary, variable pay and benefits in kind, without insured benefits. This ratio indicates that the compensation structure within the organization is equitable, ensuring that the gap between the highest and median earners is kept reasonable. This approach promotes fairness, supports employee morale, and aligns with practices for sustainable and ethical compensation management.

3.1.2. Health & Well-being

Occupational health and safety management system

Belfius' Health and Safety Policy (in accordance with the Wellbeing Law of 1996 and its executive decrees (Codex Wellbeing at Work)) aims to prevent accidents at work and occupational illnesses. It specifies the relationship between people and work. The management board is responsible for the implementation of the policy.

Belfius employs a dynamic risk management system that covers the following seven wellbeing domains: occupational safety, ergonomics, occupational hygiene, occupational health, environmental impact on employees, psychosocial aspects and the embellishment of workplaces, as well as the (potential) interactions between these domains. The risk management system enables prevention planning and the implementation of policies, in accordance with the Deming Principle (Plan-Do-Check-Act).

The prevention policy takes into account a number of specific government-issued legal and regulatory requirements, such as the designation of an internal health & safety adviser, the affiliation to an external health & safety service, the Committee for Prevention and Protection at Work, emergency procedures (first aid, fire, etc.) and accident prevention, as well as psychosocial and ergonomic risks.

Belfius also works with contractors, third parties, temporary workers and trainees. These persons are considered equal to internal employees under the wellbeing law and therefore have the same rights and obligations.

Hazard identification, risk assessment and incident investigation

A 'job risk analysis' exists for all internal employees. It is carried out by the internal Health & Safety department and the occupational physician. The result of this analysis determines whether the employee should have a medical examination, follow specific trainings, be supplied with personal protection equipment, etc. The results of this analysis are reviewed on a yearly basis and adjustments are carried out if needed. Every employee has the right and duty to report an unsafe situation and also has the right to suspend work if they consider it too dangerous. An internal employee can do this by informing their supervisor, or by contacting the Health & Safety service. Legislation protects employees against possible reprisals. The external workforce has the same duties, rights and protections in reporting unsafe situations under wellbeing legislation.

For internal employees, a root cause analysis is performed for each accident (via an insurance declaration tool). Based on this analysis, corrective measures are determined to avoid a similar incident/accident in the future. For the external workforce, accident investigations are carried out by the third-party employer. These provide Belfius with the necessary information so that any preventive measures can be taken. At least once a year, third parties are obliged to provide Belfius with a list of all incidents that have occurred. In the case of serious accidents, Belfius has the right to participate in the Root Cause Analysis.

As a service provider, Belfius' most significant risks lie in the areas of psychosocial and ergonomic considerations for internal employees. Contractors, due to the nature of their work, may interact with increased technical installations, such as in the case of structural maintenance. To date, there have been no serious industrial accidents recorded involving contractors. Through active contractor management, Belfius makes continuous efforts to facilitate necessary information exchanges with a view to preventively identify risks and minimise them by implementing all essential measures.

Belfius conducts regular risk assessments for various aspects, including psychosocial, ergonomics, indoor climate, fire & safety and job functions. The bank often employs participatory risk analysis methods, allowing every employee to be involved and contribute to the identification of risks through a broad, anonymous employer report. In addition, all employees have the opportunity to suggest initiatives and areas of improvement. The findings and recommendations from these risk analyses are translated into actionable plans. Both the results and plans are presented and monitored by the Committee for Prevention and Protection at Work.

Health and Safety organisation at Belfius

The Committee for Prevention and Protection at Work aids in enforcing legal and regulatory provisions concerning employee wellbeing at work. Workers' representatives in this committee, representing all employees (white-collar and blue-collar workers), are elected every four years during social elections and are convened whenever necessary.

In 2024, ten meetings were conducted for Belfius Bank and twelve for Belfius Insurance. These meetings formally covered topics such as work safety, employee health protection, psychosocial elements (psychosocial hazards, stress, workplace violence, harassment or sexual harassment), ergonomics, occupational hygiene, workplace beautification and environmental measures impacting wellbeing at work.

Additionally, several prevention advisors are available, including one specializing in psychosocial aspects.

At Belfius, every prevention advisor doubles as a confidentiality advisor and is therefore bound by professional secrecy. The Committee for Prevention and Protection at Work also approves these individuals.

Belfius disseminates ample wellbeing information via its Intranet. Employees can find content on physical fitness, mental resilience, work safety, optimal work environment, healthy lifestyle and training, as well as a contact page for Health & Safety support through internal communication channels.

Belfius requires all employees to undertake a Health & Safety e-learning program and participate in an evacuation exercise or fire drill. First aid training is provided to the first aid team and fire training is given to the fire intervention team. Optional training includes psychosocial training (such as disconnection, mindfulness and efficient stress management) and automated defibrillator training.

Most Belfius employees do not interact with customers directly. For those who do however, the primary risk is aggression. To assist, additional security personnel, as well as training on managing aggression and aggressive customers, is provided.

Annual reports on health and wellbeing policies and actions, along with figures (such as absenteeism, engagement, PBT score, etc.) relative to external sectoral and national benchmarks, are presented to the Board of Directors.

Investing in well-being

Belfius has been following a structured approach to employee health and wellbeing for several years. They can find support internally from the psycho-social team, but also externally through an Employee Assistance Program (EAP).

The EAP provides free external assistance, complementary to the internal prevention services. The service is accessible 24/7, remotely or via a personal interview, is fully confidential and is available to employees and their families for any problem (psychological, relational, financial, legal, practical work /life balance support etc.), whether private or professional in nature. In 2024, 133 individual employees of Belfius Bank (193 files) called on the EAP.

In addition, Belfius is also affiliated to an external prevention service, Idewe, which has more than 1,000 qualified employees providing support in seven wellbeing domains, as stipulated in the legislation. They support Belfius for about 1,800 hours a year, of which the largest number of hours goes to medical examinations, performing risk analyses in all areas (safety, ergonomics, psychosocial) and providing training (ergonomics, first aid, fire, etc.). Within Belfius Bank, a free medical check-up is offered every two years from the age of 40. At Belfius Insurance, the check is offered to all employees every two years for employees under the age of 50 and annually from the age of 50.

Non-employees

Belfius also works with contractors, third parties, temporary workers and trainees. These persons are considered equal to internal employees under the wellbeing law and therefore have the same rights and obligations.

Health and safety at work	2023	2024
Percentage of workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health for other workers working on undertaking's sites	0	0
Rate of recordable work-related accidents for own workforce[1]	1.22%	1.69%
Number of recordable work-related accidents for own workforce	13	19
Number of cases of recordable work-related ill health of employees	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health to employees	257	95

(1) Rate = number of respective cases per one million hours worked

Mechanisms to remediate negative impacts

Belfius provides various internal resources available for addressing concerns, managing stress, or resolving issues. All the information necessary is available and documented on the Belfius Intranet site.

The first point of contact for the employee remains the employee's hierarchical supervisor, who can provide a direct solution to the problem the employee is experiencing. A member of the Committee for Prevention and Protection at Work or a union representative can also be a preferred contact person. Furthermore, there is an internal and external procedure that can be followed.

Internal Procedure

The employee can rely on a specific internal procedure that is present in every company, which includes two types of interventions:

- a request for informal psychosocial intervention (65 cases in 2024 of which none were related to discrimination).
- a request for formal psychosocial intervention (0 cases in 2024).

The goal is to stop acts of violence, harassment, or unwanted sexual behaviour and to prevent their recurrence in the future.

The employee can contact a confidential advisor or a psychosocial prevention advisor by email or phone during working hours. No later than 10 calendar days after the first contact, the CA or PPA will meet with the employee and inform them about the possible interventions (informal or formal). The time spent on this consultation is considered working time, and any travel costs are borne by the employer.

At the employee's request, a certificate of the meeting will be issued by the confidential advisor or the psychosocial prevention advisor.

At the end of this preliminary phase, the employee can opt for the informal or formal route of the internal procedure. This choice is recorded in a document signed by the employee and the CA or PPA, and the requester receives a copy.

Request for Informal Psychosocial Intervention

This intervention can consist of individual conversations where the employee is listened to and given advice, an intervention with another person in the company (employer, supervisor, etc.), or a reconciliation between the involved parties. This informal intervention can be requested for acts of violence, harassment, unwanted sexual behaviour, or any other situation involving psychosocial risks at work.

External Procedure

The employee can always turn to the Supervision of Workplace Welfare inspection. This option is available for all psychosocial risks.

The inspection only intervenes as a second line, if an employee files an individual complaint with the inspection, it informs the employer about the existence of an internal procedure and refers them to the competent prevention advisor for psychosocial risks. If the employee has already used the internal procedure, the inspection will try to normalize the situation by imposing measures, possibly those proposed by the prevention advisor for psychosocial risks.

In line with Directive (EU) 2019/1937, a whistleblowing procedure is available for employees in case of business conduct incidents, including corruption and bribery. More information can be found in section 4.1.3. There are no Human rights incidents or complaints that have resulted in fines, penalties or compensation for damages.

3.1.3. Talent Management

Recruitment

In 2024, 1,188 internal and external vacancies for permanent positions were opened for Belfius Bank and Belfius Insurance.

In 2024, Belfius recruited 40 Young Professionals, young people who had just graduated or who had limited professional experience. These young staff members work on strategic projects in different departments over a period of two years (four missions of six months each).

In 2024, Belfius Bank and Belfius Insurance welcomed 84 trainees.

Some of the initiatives taken in 2024:

- Integration of our subsidiaries in our end-to-end onboarding to offer a unique and global Belfius Love experience
- Increasing our attractiveness to STEM profiles
- Participation in over 46 university or secondary school job fairs, workshops and campus recruitment events, increasing Belfius Employer Brand recognition for Gen Z.
- Several recruitment marketing campaigns were launched for young talents, commercial talents and other specific target groups such as Tech team leads and Private & Wealth Managers.
- A dedicated team was established to support employees exploring opportunities within the organization, ensuring clear pathways for growth and transition.

Employee turnover

Natural turnover is a challenge for Belfius. In absolute figures, the number of departures increased in 2024 compared to 2023. The majority of these were staff members in the 60+ age group who were retiring (44% of total departures).

Employee turnover in 2023 and 2024:

Year	Age Group	Male	Female	Grand total
2023	20-29	28	24	52
	30-29	56	29	85
	40-49	27	31	58
	50-59	17	12	29
	60 and +	90	45	135
TOTAL 2023		**218**	**141**	**359**

Year	Age Group	Male	Female	Grand total
2024	20-29	31	39	70
	30-29	35	39	74
	40-49	34	28	62
	50-59	25	9	34
	60 and +	112	76	188
TOTAL 2024		**237**	**191**	**428**

Evolution of churn in Belfius Group, i.e. number of departures in year N / [(headcount at 31/12 for year N-1 + headcount at 31/12 for year N) / 2]:

	2023	2024
Belfius Group	5.3%	6.1%

Learning and development

To give its employees every opportunity to develop in a rewarding work environment, a Learning & Development team is dedicated to the development and management of training (hard and soft skills), as well as talent development. Belfius offers its employees a wide range of training programs through the MyDevelopment portal that covers:

- Learning Foundations: training on banking and insurance, training on generic skills, such as digital skills and key soft skills
- Learning On Demand: learning per job domain and learning modules based on career aspirations and self-awareness to facilitate internal mobility
- Learning On Invitation: training programs for groups of talents depending on the stage of their career

Evolution of percentage of workers that participated in regular performance and career development reviews:

	2023	2024
Workers that participated in regular performance and career development reviews	24.4%	24.3%
% for female employee	25.1%	25.6%
% for male employees	23.6%	23.1%

The numbers in the table are based on the performance reviews of key and senior executives within Belfius Bank and the key and senior executives and 'cadre' functions of Belfius Insurance. With the launch of the new tool Talent=Hub in November of 2024 the formalisation of performance and career development reviews will be industrialised in 2025.

Evolution of average number of days training per full-time equivalent

	2023	2024
Average days of training per employee (incl. on-the-job, e-learning & mandatory training)	5.0	5.1
Average per female employee	5.0	5.0
Average per male employee	4.9	5.3

This year, we have worked towards a more dynamic approach of our Career Development with the following advancements:

- Improved Career Processes: We have designed new tools and processes to better define expectations and integrate regular, actionable feedback into daily operations.

- Focus on Internal Mobility: A dedicated team was established to support employees exploring opportunities within the organization, ensuring clear pathways for growth and transition.

- Enhanced Learning Offer: Our learning and development offerings were expanded to better align with skills needed in current and future roles. Tailored programs now support both individual and team development goals.

These initiatives reflect our ongoing commitment to fostering a culture of growth, opportunity, and empowerment for every employee at Belfius.

In addition, continuous feedback is a cornerstone of Belfius' culture. Managers and teams are supported in delivering timely, constructive feedback to reinforce positive contributions and address improvement opportunities when and where necessary.

One way to achieve a sustainable career is through internal mobility, by transitioning to different roles or functions within the company. As an employer, Belfius provides a diverse array of positions across both central and regional departments, presenting numerous job opportunities to potential candidates.

To further support this, Belfius has established a dedicated team to assist employees in finding new job opportunities within the company.

3.1.4. Diversity and Inclusion

Belfius is committed to fostering a workplace culture that prioritizes diversity, equity, and inclusion (DEI) by ensuring equal opportunities and equal pay for all employees. A diverse and inclusive environment, where everyone feels valued and respected, enhances employee engagement and drives innovation, while also contributing to the broader development of Belgian society.

Integrating DEI into Processes

To create a more inclusive workplace, the Diversity Manager and the internal Diversity Steering Group continuously work towards embedding DEI principles into Belfius' operations. This includes:

- Increasing women's representation in management roles (through quotas),

- Encouraging women in STEM careers,
- Promoting generational diversity by actively recruiting young professionals under 30.

Belfius also aims to reduce bias in recruitment through objective candidate selection and diversity and inclusion training for managers.

Commitments & Partnerships

As a strong advocate for diverse representation, including gender, age, origin, ability, and language. Belfius has signed the Inclusive Panels Charter to ensure diverse panel compositions and reinforce a sense of belonging for all audiences:

- Comprehensive parental leave policy designed to support employees at every stage of their professional and personal lives as part of Belfius' broader DEI strategy.
- This comprehensive strategy ensures that Belfius embraces diversity in all its forms, including gender, generation, sexual orientation, origin, (dis)abilities, and more.
- Recognizing the importance of diverse representation, Belfius has signed the Inclusive Panels Charter, reinforcing our commitment to diverse panel representation and fostering a true sense of belonging.
- Belfius actively participates in the "Women In Finance" initiative to improve gender balance in the financial sector.
- By taking part in the Inclusive March Challenge 2024, Belfius strengthens its commitment to fostering an inclusive workplace culture, encouraging dialogue on gender diversity, and implementing concrete actions to support women in leadership.
- In line with its commitment to an inclusive and supportive workplace, Belfius launched the Diversity Room, a dedicated space where employees can connect, share experiences, and promote inclusion.

The results are published annually on the Department of Finance website. In 2022, Belfius' Diversity Manager participated in an inclusive networking event hosted by Women in Finance, further reinforcing the company's commitment to gender diversity.

Looking Ahead

Belfius remains dedicated to building a truly inclusive workplace where every employee can be themselves and express their individuality openly and authentically. By continuously integrating DEI principles into its policies and partnerships, Belfius is shaping a future that is more equitable, diverse, and inclusive for all.

Gender diversity in management functions, which consists of senior and key executives, as well as managerial positions. Managerial positions are held by employees who lead a team:

		2024	
		#	%
Female	Manager position	303	40.9%
	Key executive	85	41.7%
	Senior executive	89	47.8%
Male	Manager position	437	59.1%
	Key executive	119	58.3%
	Senior executive	97	52.2%

Belfius publicly tracks and reports on women in management. As of the fourth quarter of 2024, it is at 43.5%, with a target of 44% by 2025. This metric is determined by averaging three separate averages: women in management positions, women in key executive roles, and women in senior executive positions. The target of 44% was set by the Diversity Steering Group in 2020 based on the gender balance within and the ambition of Belfius. At least twice per year, the progress is being reported to the Board of Directors and the Management Board allowing the possibility of taking additional actions based on the result.

Belfius' remuneration policy is gender neutral and non-discriminatory. The remuneration policy ensures equal access to all available positions within the company without distinction of gender, and applies a uniform system of remuneration for the same category of employees. Belfius strives for equal remuneration for equal responsibilities and equal experience and discusses, measures and reports evaluations, remunerations and promotions within the competent bodies on an annual basis.

2024 diversity initiatives

- Inspired by Diversity Days: shake up your habits and boost your vision of diversity and inclusion.
- Multicultural Party: promote an inclusive work environment for all talents with the participation of speaker Taha Riani ("Kan ik dat nog wel Zeggen")
- Participation in Belgian Pride on 18 May 2024
- Workshop on D&I for Technology
- Webinar on diversity and inclusion during the well-being week in 2024
- Organization of the first drink for active members of Equal & Allies
- Participation of employees in the event organized by Multicultural Bankers Belgium on the occasion of the International Day against Racism and Discrimination on 21 March 2024
- Participation of employees in the Webinar organized by Women In Finance for International Women's Day
- Participation of Belfius employees in the Inclusive March Challenge organized by Women In Finance during the month of March 2024
- Signing of the Charter of Amsterdam 2024

In 2024, our partners are:

- Women in Finance
- Multicultural Bankers
- Capital
- C'est Génial
- Open@work
- Passwerk
- Womenpreneur (new) Q4/2024

To complement our DEI approach, Belfius supports employees through all stages of their lives and career paths with a wide range of options to organize working hours in such a way that they best align with personal life, such as parental leave, caregiving leave, part-time work (from 50% to 90%), possibility to purchase vacation days, social Wednesday afternoons,... as well as a flexible teleworking policy with up to 3 days of telework. The use of parental leave applies to all employees with a seniority of 1 year and is described in the parental leave policy that falls under the responsibility of the management board. All of Belfius' employees are entitled to family-related leave through social policy and/or collective bargaining agreements.

Work-life balance metrics:

Entitled employees that took family-related leaves (%)	2023	2024
Female	13%	13%
Male	8%	8%
TOTAL	10%	10%

Belfius Young Community

The Belfius Young Community (BYC) brings together employees under the age of 36 to support them in the early years of their careers. Through its activities, it contributes to broadening the role of young employees so that they can leave their mark on Belfius' corporate culture. Some of the activities include:

- During the BYC Café, some current hot topics are highlighted by inspiring speakers. All of this takes place in an informal atmosphere, accompanied by a snack and a drink.
- An annual Q&A session is organized with the members of the Board of Directors.
- During BYC Innovation there is a brainstorming session about new ideas. Through this way, the voice of young employees is more effectively conveyed to the management of Belfius.

3.1.5. Employee satisfaction and engagement

For the past decade, Belfius has been measuring the satisfaction and engagement of its staff members through its annual engagement survey. In 2024, satisfaction levels remained exceptionally high, with 91.7% of employees at the Bank and 92.3% at Insurance reporting being engaged. Engagement remained very high in 2024, with 85,8% of employees engaged across Bank and 85,2% of employees engaged across Insurance. The response rate for the bank is 75.9% and for the insurance it is 82.6%, making this survey very representative and actionable.

The engagement survey is conducted annually and aims to reach all employees of the Belfius Group (inclusive the Belfius subsidiaries). The results are processed anonymously, allowing employees to respond honestly and share any feedback or concerns in the open fields. We do not look at whether one is a man or a woman, but we have the following socio-demographic information: Language: FR and NL; Age Seniority; Temporary job or permanent assignment; Employee, executive non-people manager, executive people manager, Key/senior executive; Teleworking %.

The input from the survey is thoroughly analysed, after which actions are defined for both the Belfius Group as a whole and for individual departments to address key challenges. We greatly value the input from our employees, which provides us with the right insights into Belfius as an employer and workplace, and enables us to continually improve.

The management board is responsible for the execution and follow-up of the engagement survey.

"Satisfaction indicator" scores from the Engagement Survey Belfius Bank and Belfius Insurance(1)

	2022	2023	2024
Belfius Bank	95.0%	93.5%	91.7%
Belfius Insurance	92.0%	93.9%	92.3%
BELFIUS GROUP (2)	**93.6%**	**93.6%**	**91.7%**

"Engagement Indicator" scores from the Engagement Survey Belfius Bank and Belfius Insurance(1)

	2022	2023	2024
Belfius Bank	87.5%	85.6%	85.8%
Belfius Insurance	83.9%	86.7%	85.2%
BELFIUS GROUP (2)	**86.1%**	**85.9%**	**85.8%**

(1) All the figures relating to staff are for the "active" headcount (unless stated otherwise), i.e. excluding employees taking early retirement, on long-term sick leave, full-time time credits, on secondment.
(2) The result of Belfius Group includes the results of Belfius Bank, Belfius Insurance and subsidiaries.

The engagement score is calculated based on the average score on 4 topics: satisfaction, proudness, motivation and the quality of products and services.

3.1.6. Innovation & Digitalization: Empowering Employees

Belfius makes use of new technologies to empower its workforce. Due to the rapidly changing technology landscape, Belfius has not formalized specific policies, nor defined metrics or targets. There are however separate investments in digitalization of the workplace and supporting digital talent. Belfius also recognizes the potential of AI technology, specifically generative AI and Large Language Models (LLMs), to enable its employees & bankers to focus on high value tasks and offer them the right tools to truly personalize the customer experience. Belfius, for example, has made an internal ChatGPT available where employees can request information in a secure way. To evaluate the possible roll-out of Microsoft CoPilot to its workforce, Belfius has kicked-off a pilot in 2024 and rolled-out Microsoft CoPilot to a first group of 300 collaborators with extensive training sessions and accompanying guidance.

In June of 2024, Belfius participated in the Series B financing round of Mistral AI, one of the leading AI companies in Europe. By investing in Mistral AI, Belfius commits to support the growth and development of this innovative start-up, whose generative AI models are already considered among the best in the world. In September 2024, Belfius launched its innovative partnership with Alan, a European leader in artificial intelligence and healthcare. This collaboration aims to address the significant challenges of mental health and absenteeism in the workplace, which have seen a 43% increase in burnout cases in Belgium from 2017 to 2022, by offering innovative health insurance solutions leveraged by AI.

Belfius is dedicated to digitalizing its workplace and has taken significant steps towards achieving this goal, e.g. via the complete migration to digital workplace platforms and the roll-out of new laptops built on a new eco-friendly environment as mentioned in “2.1.2.2.2. Belfius transition plan / Sustainable IT”. Belfius provides its talents with the necessary tools to be able to work from home, on the road and in the office. additionally, the physical meeting rooms have been revamped to improve collaboration with colleagues at a distance.

Belfius is committed to promoting diversity and supporting talent in the digital world. Therefore, Belfius participates in several partnerships and innovative collaborations to allow unique talents to thrive. In March of 2024, for example, Belfius signed a partnership agreement with BeCode, a school aimed at motivated people in precarious professional situations: school dropouts, people born outside the OECD, long-term job seekers, and so on. Belfius also has a 10+ years collaboration with Passwerk, a company that uses the qualities of people with an autism spectrum profile in various areas of expertise in the regular job market. Since 2023, Belfius also has been offering a number of female employees the opportunity to participate in the 'S.He Goes Digital' program, an initiative launched by Febelfin and Agoria and jointly organized by VUB and ULB, which offers an Executive Master in Digital and IT Essentials.

3.2. Workers in the value chain: Human Rights

As stated in the Human Rights policy, Belfius is committed to respect the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work (ILO). This principle applies for Belfius’ own workforce but also to the workers in the value chain. The policy applies to all subsidiaries and activities of the Belfius Group and formally prohibits child labour and forced labour. The head of Sustainability is in charge of the oversight of matters related to human rights within Belfius. Belfius is a signatory of the following international standards that include human rights: the UN Global Compact Principles, the UNEP FI Principles for Responsible Banking, the UNEP FI Principles for Sustainable Insurance, and the UN Principles for Responsible Investment.

Belfius recognizes there could be potential for negative material impacts on workers in its downstream value chain through its investment, lending and insurance activities. The workers in the value chain that could be materially impacted includes a wide range of workers, such as employees of Belfius suppliers (section 4.2.) and employees of entities for which Belfius provides financing (section 2.4.1.), investments (section 2.4.2.) or insurance (section 2.4.3.). The construction sector, representing a large share of Belfius’ business, corporate banking portfolio and investment banking portfolio, has been identified as the sector with the highest potential negative impact. This due to possibilities of low and irregular wages, toxic products affecting workers’ health and safety, forced labour and discrimination. Additionally, real estate activities also carry a risk of illegal developments and corruption. Technological manufacturing, retail, electric power generation and equipment manufacturing have also been identified as sectors associated with human rights risks, although to a lesser extent.

Belfius' TAP is a positive step for workers in the downstream value chain. This policy places great emphasis on the respect of UN Global Compact principles, which includes the fundamental respect of labour rights (freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced and compulsory labour, abolition of child labour and elimination of discrimination in respect of employment and occupation). As a result, companies found to be in violation of this principle are excluded from our portfolios. More information about the TAP and the target of TAP compliance can be found in section 2.4. Apart from ensuring compliance with the TAP there are no further specific actions taken regarding workers in the value chain.

For upstream value chain workers, Belfius applies the Sustainability Code of Conduct for Suppliers. This Code of Conduct is aligned with current norms and regulations designed to provide its staff with a healthy and safe work environment, abolish child labour and eliminate all forms of forced and compulsory labour. The Code of Conduct for Suppliers is in line with the UN Global Compact Principles and applies all Belfius procurement and outsourcing activities. See also section 4.2.

In the development of these policies, Belfius engaged key departments, including ESG, procurement, legal and communication, to ensure a comprehensive approach to sustainability and responsible business practices. While external stakeholders such as workers in the value chain and other external parties were not specifically consulted during the drafting process, their interests were taken into consideration when formulating our policies. All of these policies are available online in English, French and Dutch and can be consulted by any affected stakeholder.

All parties have the option to report incidents via the whistleblowing procedure, for more information on this procedure see section 4.1.3. In 2024, no Human Rights issues or incidents were identified and no formal process for remediation has been created.

3.3. Consumers & end-users

Customers are at the heart of Belfius' mission: "Meaningful & Inspiring for Belgian Society. Together." Customer-orientation is also one of Belfius' four core values. Establishing a lasting relationship with customers, engaging with them in a responsible and transparent way, taking their opinions into account and satisfying their demands, is just as important for Belfius as optimising its operational services or financial performance.

As a customer-oriented and responsible banking and insurance company, Belfius regards consumer protection as a non-negotiable factor. Belfius also adheres to codes of conduct from following sector federations:

- Febelfin: Belfius Bank adheres to the Belgian financial sector federation code of conduct regarding good customer relations. Through Febelfin, Belfius also adheres to the Belgian Charter for digital inclusion;

- Assuralia: Belfius Insurance adheres to the sector federation of insurance companies code of conduct for rapid, high-quality claims handling;

- BEAMA: Belfius AM adheres to the code of conduct for the Belgian asset management association. In line with the principle of "fiduciary duty", Belfius AM is committed to act loyally and honestly in the interests of customers and market integrity, in accordance with the legal and regulatory framework.

Belfius is subject to regulations governing investment services, such as the Markets in Financial Instruments Directive II (MiFID II), the Insurance Distribution Directive (IDD), and Customer Due Diligence (CDD) regulations. MiFID II (Directive 2014/65/EU) mandates transparency, investor protection, and the efficient functioning of financial markets. IDD (Directive 2016/97/EU) regulates the distribution of insurance products to ensure fair competition and customer protection, and requires that insurance-based investment products (IBIPs) meet the sustainability preferences of customers. CDD, as outlined in the Anti-Money Laundering Directive (2018/843/EU)requires thorough verification of customer identities to prevent money laundering and terrorist financing. By adhering to these regulations, Belfius ensures that our financial services meet the required standards of regulatory compliance and customer protection.

The quality and suitability of outgoing commercial communications is guaranteed by following a standardised process with a dedicated tool. The process defines the roles and responsibilities, which mandatory phases the communication flow must follow and a pre-publication check via the '3 lines of defence' principle that is specific to risk management at Belfius in general. The process always includes validation by the legal department and ensures submission for validation by supervisor FSMA where mandatory.

As mentioned in section 2.5. Belfius is held to minimum social safeguards which includes the protection of Human Rights. Consumers are also covered by Belfius' Human Rights policy, for more information on this policy see section 3.2.

As a result of the DMA, the following Impacts, Risks and Opportunities have been identified as material of which the negative Impacts are systemic in the context of a financial institution:

Topic	IRO	Description	Value chain
Customer transparency	Impact	Excluding non-digital customers of the financial services without accompanying them.	Downstream
	Impact	Enhancing customer satisfaction and trust in the financial sector by offering understandable information.	Downstream
	Risk	An unsatisfied customer demand in terms of customer experience and digital (banking) experience may lead to the loss of existing customers.	Downstream
	Opportunity	A satisfied customer demand in terms of customer experience and digital (banking) experience may lead to better services and to the gain of new customers.	Downstream
	Opportunity	Applying regulations on customer rights and communication beyond compliance may lead to an enhanced customer satisfaction and loyalty.	Downstream
	Impact	Fostering trust with strategic partners and clients by guaranteeing the transparency of Belfius' activities.	Downstream
	Impact	Allowing informed financial and insurance decisions by informing customers through fair, straightforward, and transparent information by providing clear product communication.	Downstream
	Risk	Failure to inform customers about products in a clear and transparent manner may result in higher number of complaints filed, and in some instances, regulatory fines and settlements.	Downstream
Information security and data protection	Impact	Damaging customers trust in the financial system security by having a cybersecurity breach.	Downstream
	Risk	Failure to effectively safeguard against cyber threats may lead to financial losses, erosion of stakeholder trust, or legal consequences for the organization.	Own operations Downstream
	Risk	Fraudulent activities using customer data may lead to potential financial loss, reputation damage, or legal consequences.	Own operations Downstream
	Risk	Data breaches or non-compliance with data protection laws may lead to legal consequences, loss of customer trust and reputational damage.	Own operations Downstream
	Risk	Belfius' suppliers being targets of cyberattacks may result in the exposure of confidential data and disruptions in business operations. This may lead to financial losses, reduced competitiveness, erosion of stakeholder trust, and potential legal consequences for Belfius.	Own operations Downstream
Financial inclusion	Impact	Enhancing inclusion of a more vulnerable population (the elderly, people with disabilities, non-digital population, start-ups, etc.) into Belfius' financial services offer.	Downstream

	Risk	Not providing financial products and ensure access of the products to all people may lead to the loss of some customers and reputational damages.	Downstream
	Risk	High increases in the cost of living may result in financial strain for customers and reduced levels of savings, leading to an increased likelihood of customers unable to pay outstanding debt.	Downstream
	Opportunity	Design of products accessible to the entire population including population exposed to a greater risk of being excluded from the financial system may generate new revenues streams for Belfius.	Downstream
Innovation and digitalization	Impact	Leveraging new technologies and Belgian talents to benefit customers and society in proposing leading edge and innovant services.	Downstream

3.3.1. Innovation & Digitalization: Enhancing Customer Interaction

Belfius has always used its digital expertise to offer innovative digital solutions that go far beyond traditional banking and insurance products by helping customers in their environmental and social endeavours. Currently, no specific targets or metrics are established for innovation and digitalization, as these areas are inherently dynamic and evolving.

There is no specific policy which includes the overall governance regarding innovation, however the Investment Framework contains the ongoing initiatives and priorities. Key initiatives of 2024 include:

Re=Bel

With its investment platform "Re=Bel", Belfius aims to make committed investing accessible to everyone. Customers can invest in social themes, such renewable energy, mobility, innovation against cancer, circular economy, water and inclusion. Customers can invest independently at any time via Re=Bel, in shares, trackers and funds.

Redesigned Mobile App

In 2024 Belfius re-designed its Belfius Mobile App, which is used daily by over 2 million customers. It provides a personalized digital banking experience, anticipating customer needs and offering inspiration, guidance, and advice for both personal and professional life.

The new design increases the intuitiveness of the app for non-digital savvy customers, with innovations such as the Smart Search, and the Feature Discovery tool (a series of thematic journeys in the app to help customers boost their digital literacy and self-servicing capabilities). Additionally, the app supports the Green Technology strategy by providing quick access to frequently consulted data without requiring login.

Belfius is dedicated to making its mobile app more accessible to a diverse audience, as recommended by AnySurfer. Belfius Mobile is currently widely usable for blind or visually impaired customers as the speech module on their smartphone reads everything that appears on the screen out loud. Additionally, Belfius has considered other limitations, such as hearing disabilities, by adding subtitles to all videos. To accommodate neurodivergent customers, the app avoids continuous animations.

"Always On" engagement

Belfius fosters an "always on" engagement for its customers. In a digital-human way, Belfius is always close to the customer, at any moment of the day. The Belfius Mobile app features a smart digital assistant that guides customers to find the answers they need or to get in touch, enabling instant digital self-servicing in an effortless way. If contact centre agents are unavailable, customers can opt for a call-back within 30 minutes. Additionally, Belfius strives to offer in-person appointments within 7 days through their new make-an-appointment digital flow. For non-digital savvy customers, Belfius has a focus on physical proximity and offers non-digital self-service via its cashless machines (see section 3.3.4.) and its award-winning free phone service (Belfius Phone Banking).

Belfius E-sign

Launched in 2024, Belfius E-Sign (esign.belfius.be) allows customers to log in with the itsme app and sign documents via smartphone or computer, without needing a Belfius card or a card reader. They can also consult signed documents there.

Digital onboarding for businesses & individuals

Belfius is committed to providing its new clients, both individuals and businesses, with a seamless digital onboarding experience. Since 2024, prospects and individual customers can also open a professional account directly in an intuitive, digital way.

Fight against Phishing

Through a dedicated program, Belfius takes proactive measures in its Mobile app to raise awareness about fraud and phishing attacks. Specific actions are taken in regards to cards limits and confirmation of personal data of the customer.

Societal progress

Belfius continues to lend its support to several promising innovations:

- Quantum Circle a multi-disciplinary collaboration between Quantum enthusiasts from various industries and backgrounds, united by a common vision. Engage with Belgian society on the urging need for a proactive and collaborative approach to Quantum Technology.
- UGent Racing Team is a Formula Student team of Ghent University determined to build an autonomous electric racing vehicle to compete in the international Formula Student SAE competitions.
- Academic Chair in Ethics and AI conducting research on AI within the field of ethics. The focus is on analytic philosophy and normative ethics, while being informed by science and reliant on empirical evidence.
- Jaimy is a platform that allows customers to quickly find a trustworthy building professional in electricity, heating, plumbing or renovation. More information can be found in “2.4.3. Meaningful Insurance”.

3.3.2. Data Protection

Belfius recognizes that privacy and the protection of personal data are fundamental rights of individuals. Moreover, genuine respect for these two rights are key elements in Belfius’ strategy to achieve high customer satisfaction and commercial success. Failure to secure personal data or failure to treat it in the manner prescribed by law increases financial, reputational, legal and operational risks.

The approach to personal data is communicated through the Privacy Charter, which is available on the public website.

The Privacy Document Framework at Belfius adopts a risk-based approach, ensuring alignment with our Privacy Risk Appetite, top management's appraisal, and the applicable laws and regulations, including GDPR. Belfius strives to not only meet these requirements but to exceed them by aligning with industry best practices.

Privacy Risk Policy

Internally, Belfius implemented a Privacy Risk Policy which applies to Belfius Group. Belfius Bank's subsidiaries as well as Belfius Insurance and its subsidiaries are required to implement the Privacy Risk Policy or a tailored version consistent with the Belfius Bank policy, respecting internal governance and applicable regulations. The policy aims to:

- provide an overview of the privacy risk landscape and the applicable risk governance framework
- ensure that personal data processed by Belfius is treated in accordance with applicable laws and regulations, top management appraisal and best practices.

Accountability for implementing the Privacy Risk Policy rests with the highest levels of the organization. The Board of Directors validates the Privacy Risk Policy and provides strategic direction and oversight, while specialized committees such as the Risk Committee and the Risk and Underwriting Committee (RUC) offer expert advice on risk-related matters. The Management Board plays a crucial role in ensuring that decisions regarding privacy and personal data protection are made within the defined risk appetite.

GDPR

Belfius ensures GDPR conformity, including a risk assessment for the rights and freedom of the owners whose personal data is processed, in every process involved in offering existing, adapted, and new products, innovative digital tools, services, and information sharing to its clients. This includes reviewing the privacy notice, implementing an adapted cookie policy and adhering to the rulings of the European Court of Justice on eventual international transfers or access to personal data. All activities treating personal data are documented in a privacy register by the business lines, and Belfius is highly committed to avoiding personal data breaches and managing any incidents as quickly as possible. Data subjects can exercise their rights through various means, including the Belfius' online and mobile applications.

Numerous actors collaborate to ensure that our existing and new processes are and remain compliant with the GDPR (General Data Protection Regulation, 2016/579/EU): the Data Protection Officer (DPO), the Chief Information Security Officer (CISO), the Digital Security Officer (DSO), the Chief Data Officer (CDO), the Non-Financial Risk (NFR) department, the Legal department, the Compliance department and the Procurement department.

Belfius' Management and several committees are regularly informed about GDPR compliance. A network of privacy correspondents, active in each department, work closely with the DPO to continuously raise awareness, control, and monitor processes and activities being in line with GDPR. A Privacy Steering Committee meeting takes place at least once every quarter. Privacy Key Risk Indicators and other GDPR matters are discussed at this meeting and are then reported internally to management, as well as Audit and Risk Committees, through various reports.

Privacy compliance monitoring is a continuous activity, with a formal business sign-off required yearly. This sign-off consists of validating all processing activities of personal data taking place in any functional area of Belfius Group are identified and documented in the legally required privacy register. Main actions are reviewed, validated and followed up by the Privacy Steering Committee or Personal Data Breach Forum.

To better secure the data protection of suppliers new and existing suppliers will be subject to an assessment to test their data privacy maturity level as part of the Third Party Risk Management Process. Based on the result of the assessment the decision will be made to either continue the cooperation with the supplier, mitigate the risk or terminate the cooperation. During 2024 this process has been tested on several new and existing suppliers, during 2025 there will be a full rollout of the assessment to all suppliers. For more details on Third Party Risk Management Process, please refer to the Belfius 2024 Risk Report.

Targets are set following a bottom-up approach by the yearly self-assessment of risks and internal controls, by qualifying the inherent risks and by translating them into residual risks from the associated control functions and their levels of maturity and adequacy. This exercise makes it possible to map the risks but also to assess their relative criticality (and thus define high-risk areas). Any changes made to these targets might occur yearly according to the Risk Appetite Framework.

Through a review of actuals vs targets and continuous monitoring by the line of defences the effectiveness of policies and actions is tracked.

Personal data breach management is event-based and must be internally reported and mitigated immediately. If high risk for the data subjects, reporting to the Belgian Data Protection Authority is required within 72 hours. The target of Belfius is to have no overdue notifications during the year which was the case in 2024. In 2024 the target related to the amount of reported data breaches to the Belgian Data Protection Authority (DPA) was changed to having less than 5 per quarter which was met in 2024.

In total there were 9 incidents reported to the Data Protection Authority in 2024, more precisely 4 in Q1, 3 in Q2, 1 in Q3 and 1 in Q4. The goal of Belfius is to limit the incidents to less than 5 per quarter, which was met for all quarters in 2024.

Any data subject right request is also event based. Belfius provides information on action taken to the data subject without undue delay and in any event within one month of receipt of the request (that period may be extended by two further months). The target of Belfius is to have no late responses and if there were late responses, to have less than 3 late responses to requests on a yearly basis. During 2024 there were no late answers.

3.3.3. Information Security

A changing landscape

The digitalization, innovation and changing business models of the banking industry go hand in hand with ever-evolving cyber-risks. Banks are becoming increasingly interconnected, not only with each other, but also with many third parties. The pandemic has accelerated customers' transition to digital methods of payment, the evolution to digital or hybrid workplaces and employees' work and communication arrangements. Concepts like Bring-Your-Own-Device, online meetings, Artificial Intelligence, access to data anytime and anywhere, amongst others, are here to stay. Over the last few years, the rise of cyberattacks has demonstrated how dependent organisations and society are on Information Systems and Technology and what the impact on the economy (costs) and people can be.

For Belfius, protecting information and maintaining a secure environment for our customers' data is essential. We want to guarantee high performance in terms of Information Security to ensure that our customers trust us in this respect.

Security organisation and 3 Lines of Defence

To ensure the detection, reporting and mitigation of all types of risks within the organisation, Belfius has applied the three Lines of Defence model.

- The first Line of Defence in Information Security is the Digital Security Officer (DSO), who reports to the Chief Technology Officer (CTO).
- The Chief Information Security Officer (CISO) within the Non-Financial Risk department is responsible for the oversight of Information Security from the second Line of Defence, reporting to the Chief Risk Officer (CRO).
- Audit ensures an independent assessment of the entire organisation as part of the third Line of Defence.

The responsibility for the oversight of risks associated with technology, including IT and cybersecurity risks, resides at the Risk Committee and Audit Committee of the Board of Directors - who are briefed on Information Security on a quarterly basis. To underline our commitment, Belfius' Risk Appetite Framework includes an Information Security section.

The purpose of this Information Security policy is to ensure that the information owned by Belfius is appropriately secured, in alignment with the business objectives, in order to protect against breaches of confidentiality, failures of integrity or interruptions to the availability of that information. Applicable laws and regulations, top management appraisal and best practices are integrated in the information security document framework to ensure a consistent and streamlined approach towards information security. It applies to all Belfius' information regardless of its form, including but not limited to the IT systems on which this information is stored or processed (i.e. information asset). This policy applies to all Belfius staff and third parties who interact with Belfius' information or information asset, including service providers. Additionally it is also applicable to all material outsourcing partners of Belfius, whenever relevant. The responsibility for the creation and maintenance of this Information Security Policy lies within the Risk department and it must be approved by the Information Security Steering and the Risk Policy Committee.

The Risk Appetite Framework defines and measures critical Key Risk Indicators (KRIs) to measure the Information Security risk. Whenever a KRI is below the defined threshold, a remediation plan needs to be detailed at the Information Security Steering level. The Information Security Management System (ISMS) further defines the framework to ensure a consistent and streamlined approach towards Information Security.

The Information Security Steering (ISS), managed by the Chief Information Security Officer (CISO) and chaired by the Chief Risk Officer (CRO) and Chief Technology Officer (CTO), ensures a well-managed and coordinated Information Security strategy whereby an adequate system of identification, protection, detection, reaction and recovery is put in place in accordance with regulatory requirements regarding Information Security.

The Technology Committee within the Belfius Group advises the Board of Directors on information technology and digital and data matters, including security aspects, for all subsidiaries of the Belfius Group. Risk policies and processes describe how these Lines of Defence inter-operate and ensure that all types of risks within the organisation are adequately managed, as unmanaged risks could have a financial, as well as reputational, operational or legal impact on Belfius.

By continuously improving the ISMS, updating the framework and policies (e.g. incorporating lessons learned, audit recommendations, business strategy, compliance requirements, etc.) and measuring and monitoring its control implementation, Belfius establishes and improves the confidentiality, integrity and availability of its services.

Regulatory requirements and audit

Regulatory requirements have been becoming stricter over the years, which means that Belfius needs to comply with various national and European regulatory frameworks and legislation, including GDPR, PSD2, DORA, NIS, etc. Furthermore, Information Security is frequently part of audits initiated by the regulator. Information Security related topics at Belfius are audited at least annually by internal, external and/or regulatory audits.

Assessment and testing

Every two years Belfius voluntarily subjects all Information Security processes to a maturity assessment by an external party, to independently measure its Information Security performance. Target is to continually score higher than 3 on the assessment. This goal is achieved but specific metric is not disclosed due to the sensitive nature.

Belfius performs several and varied internal and external tests on an annual basis. These include Red Team assessments, penetration tests, vulnerability scans and configuration reviews, providing assurance on various aspects of the security organisation, framework and infrastructure. Such tests help to determine the effectiveness of existing controls, identify new risks or vulnerabilities, check compliance with regulatory requirements, etc.

Separate Cyber Hygiene assessments are performed to validate the effectiveness of existing controls, making sure that the new security functionality is applied where needed and that it brings continuous improvement in all people, process and technology related controls.

The Security Roadmap

Risk assessments help define what improvements are most needed to reach our ambitions. High-level goals and priorities are translated into concrete projects and plotted on a roadmap, which typically spans the course of two years. A separate budget is allocated to this Security Roadmap programme, alongside a cyber-related budget that is used for business-as-usual tasks.

Security awareness, training and testing

In order to enhance the Information Security skills and mindset of Belfius employees and contractors, awareness, training and testing initiatives (e.g. monthly phishing mail simulations) are performed on a regular basis. Every year a Security Awareness plan is created, incorporating lessons learned from the previous years, areas in which the Belfius 'human firewalls' need to improve, together with emerging threats that the workforce needs to be aware of. An increased focus on the security of personal devices remains: locking screens, preventing data leakages when working remotely, etc.

Some security trainings are mandatory for all collaborators and are actively followed-up by Senior Management with the support of the HR department. The percentage of completion is reported to the members of the Information Security Steering. The click rates resulting from phishing simulations are also reported to the Information Security Steering for close follow-up. All new employees are required to follow training on Information Security as part of the onboarding process.

Information Security awareness is raised via general or dedicated initiatives on a frequent basis to specific groups, including customers, students and the general public.

Security monitoring and incident response

The Belfius environment is monitored 24/7 by an external Security Operations Centre. Incident response procedures and plans are frequently tested via simulated exercises like table-tops or security assessments. This ensures that potential security incidents are quickly detected and escalated when necessary. If needed, incidents are escalated and handled by the crisis management process. Incident response is also activated in case a third-party of Belfius is potentially breached, to ensure that impact on Belfius and its clients can be contained. Threat intelligence monitoring ensures that threats are picked-up and analysed for their potential impact.

Information sharing and collaboration

Belfius participates in several federations, workgroups and initiatives, including Febelfin (the Belgian Financial Sector Federation), the Belgian Cyber Security Coalition and FS-ISAC. This allows Belfius to collaborate and exchange on information security best practices with organisations within the financial and other sectors.

3.3.4. Financial Inclusion & Access to Finance

Financial accessibility and inclusion is crucial for Belfius because it ensures that a broader spectrum of individuals and businesses can access essential financial services, fostering economic inclusion and growth. By prioritizing accessibility, Belfius can better serve diverse communities, including those who are traditionally underserved or marginalized. To date these efforts have not been formalized within a centralized policy framework and no targets have been established. Belfius has implemented various actions to promote financial inclusivity during the creation of its products.

Access to minimum banking services

To avoid banking exclusion, the legislator has established a basic banking service that gives the right to a minimum service, namely access to a payment account and the most essential operations associated with it. With a market share of 49%, which constitutes 61,000 clients with a basic banking account Belfius takes its responsibility in making banking services accessible. In addition to offering basic banking accounts, Belfius collaborates with social organizations such as the Public Centres for Social Action (CPAS / OCMW) to find adapted solutions for them.

Belfius Bank has been working with this organisation to develop specific, modern and secure banking solutions, helping them to support their beneficiaries according to their needs. Since then, some of these solutions have also been offered to other parties, such as nursing homes and organizations responsible for the reception of asylum seekers. A comprehensive review of our social products is available on our website.

In total, around 163,303 social accounts were active at the end of 2024. In addition to the products themselves, Belfius has developed specific electronic applications that enable social organizations to implement and manage these products efficiently.

Accessible banking agencies

As part of the 'Always On' campaign launched in September 2024, urban branches are accessible without an appointment every business days. From January 2025, other branches will also be open without an appointment at least two days a week. And on the Belfius app or website, clients will be able to easily schedule an appointment with a staff member in a branch or via video-conference starting Q1 2025. It is important because it ensures that all clients, regardless of their location or digital literacy, have convenient and equitable access to essential banking services and personalized financial guidance.

Accessible cash and cash-less machines

Belfius, together with BNP Paribas Fortis, ING and KBC, launched the Batopin (Belgian ATm OPtimization INitiative) project to develop a network of cash machines (called Bancontact CASH points) to maintain cash accessible to everyone. By the end of 2024, 581 sites were deployed with in total 1,459 cash machines and more will be added in the future in accordance with the agreement signed in March 2023 between the banking sector, represented by Febelfin, and the government.

In addition, Belfius maintains cashless machines (allowing for balance consultation, printing of bank statements and transfers) in all branches. These machines remain very important for non-digital customers who can easily follow up on their bank account and perform basic transactions. At the end of 2024 there were 410 cashless machines in our branches.

Customers over the age of 70 with a Beats New or Beats Star current account can also rely on free manual transfers and free monthly dispatch of paper statements.

Accessible digital banking

In accordance with the principles and terms outlined in the Universal Banking Service Charter, Belfius offers the Universal Account to serve clients who do not have access to digital services.

To benefit our digitally vulnerable customers, Belfius offers a phone banking solutions service that does not require access to a smartphone, the Internet or any digital skills. In 2024, we received a total of 1,173,683 calls.

In 2024, Febelfin held 25 information sessions in Wallonia about online banking and fraud risks. The initiative primarily serves customers that are less digitally proficient such as older customers and those who do not speak French. At the end of each information session, participants had the opportunity to talk to their local banker. Belfius participated in all information sessions to meet with its clients and reassure them. The project named 'J'adopte la banque numérique' is considered to be a very big success by the Walloon Region, and is therefore expected to continue in 2025 in partnership with Febelfin.

Belfius launched a campaign 'CYBERSMART' to help customers recognize and prevent fraud. Belfius is not only conducting the campaign online, but also in the agencies on a paper-based form in order to reach the less digitally skilled.

Customers with disabilities

Belfius is determined to make its products and services more accessible to people with disabilities, with a particular emphasis on people with visual impairments. In January 2024, Belfius added a blind notch to classic debit cards and business debit cards so that it would be easier for visually impaired customers to use their bank cards. The blind notch makes it easier to recognize the bank card in one's wallet and to know which side to insert in a cash machine. Belfius consulted the Ligue Braille, an NGO which purpose is to help blind and visually impaired people in Belgium, to ensure that this solution would actually be helpful for the targeted population. For clients with visual impairments, account statements are also sent in braille.

Bancontact CASH points, as well as Belfius recyclers (i.e. machines where money can be withdrawn and deposited) are accessible to all, including to people who are blind or partially sighted, or suffer from reduced mobility. These machines are equipped with audio support that allows customers to withdraw cash without external help. The keyboard itself incorporates braille features and is embossed so that people with visual impairments can easily find the different parts of the device (bank card insertion zone, zone for connecting headphones, etc.).

New Belfius cashless machines designed with guidance through headphones for specific transactions will be installed in every branch by the first half of 2025.

Belfius is also actively striving to create a digital environment that is accessible and inclusive for all users. We are for example aiming to comply with the Web Content Accessibility Guidelines (WCAG 2.2.) and meet the AA level, ensuring that individuals with diverse abilities can navigate, perceive and interact with Belfius' online platforms with greater ease and accessibility.

If you want to know more about what Belfius is doing to render its banking services accessible to all, regardless of their differences, you can consult our Accessibility Statement.

Accessible project financing for entrepreneurs

In 2024, Belfius conducted an analysis to examine the position of women entrepreneurs within its professional clientele and highlight any differences and/or similarities in the credit approach depending on whether a project is led/presented by a woman or a man. At Belfius, 37% of self-employed individuals are women, which is slightly higher than the Belgian national statistics (35.5%). Among liberal professions, the share of women within the clientele is around 49% (compared to 46% for the entire Belgian market) and even rises to 66% when focusing on startups: more than 2 out of 3 startup clients in liberal professions are women. When examining all startups across all sectors, Belfius again counts nearly half (45%) of women among its clientele, significantly more than the national average of 37.5%. As bankers, being more available and investing more time in providing information, advice, and guidance are key elements to better satisfy women entrepreneurs, especially during the startup phase of their business.

For Belfius, standing by female entrepreneurs is a given, resulting in the following initiatives:

- On May 14, 2024, Belfius signed the Febelfin Charter dedicated to the financing of entrepreneurs, directly stemming from the roundtable on the financing of women entrepreneurs.

- Valuing "inspiring models" in the field of women entrepreneurship is an integral part of our societal dimension, and we make a particular effort to highlight these "inspiring models" through our campaigns.

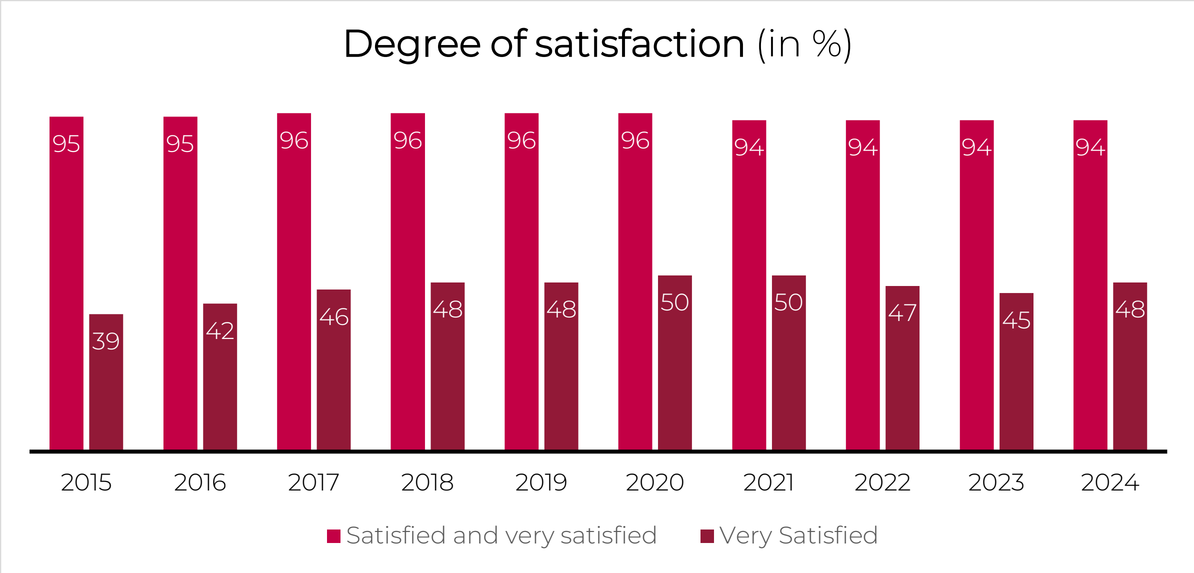
- Belfius regularly organizes networking and empowerment events for women, notably through its partnership with 'WOW' (Home | Generation WOW). Once a year, Belfius powers the event 'Money Talks', a taboo-breaking conference about money with women in business.

- Belfius sponsors 'High Her' (Home - High Her) which objective is to empower women entrepreneurs by providing them with the resources, knowledge, and networks necessary to secure financing and grow their businesses.

- In 2024, Belfius partnered with Womenpreneur to launch a new training space in Brussels dedicated to empowering women through entrepreneurship by providing them with the necessary resources, training, and support to develop their entrepreneurial skills and succeed in their professional endeavours.

3.3.5. Customer satisfaction

Belfius is committed to ensuring our customers are pleased with our services and have set a goal to reach a customer satisfaction rate of 95%. This objective, in effect since 2014, was determined by the Management Board. The measurement is carried out by our Customer Research department in collaboration with external market research agencies. In 2024, an annual satisfaction survey was sent to 519,201 customers from various Belfius Bank business lines and 66,173 answers were received. The survey was sent out to all clients in the Private and Wealth Management segment and the E&E and PSB segment, while a random sample was taken for the Retail segment. Overall, Belfius Bank obtained a satisfaction score of 94% in 2024. The head of Customer Research is in charge of supervising the annual satisfaction survey. Responses from the survey are communicated to and utilized by the relevant departments.



3.3.6. Complaint management

In order to sustain fair and transparent customer relations and constantly improve the quality of our service, Belfius closely listens to all complaints and strive to resolve them. Moreover, each complaint is considered as a key moment in the customer journey and one that contains valuable information to improve our services, products and processes. Consequently, Belfius systematically monitors customer complaints and thoroughly analyses each case to provide effective solutions in conjunction with the Bank's various entities. Belfius has dedicated teams who carry out a step-by-step protocol that guarantees impartiality when processing complaints.

Belfius clearly outlines the complaint process in all official documents (regulations, product sheets, etc.) as well as on the website and within the app. Customers have the flexibility to choose their preferred channel for submitting complaints, be it via their branch, phone, email, a form on the website, in BDN and BM, or through postal mail. Thus, Belfius assesses that customers trust and are aware of the Bank's complaint handling process.

Belfius Bank operates a Complaints Policy that is in accordance with the requirements of the EU Markets in Financial Instruments Directive II ("MiFID") and the rules of our Financial Services and Markets Authority ("FSMA"). The Policy is endorsed by the firm's management board and applies to complaints relating to all Belfius Bank business by Clients and potential clients. The goal of the policy is to investigate and resolve all complaints from clients and potential clients and is available on the website. As mentioned in the policy all complaints will be handled promptly, fairly, fully and in good faith. The procedure of filing a complaint is explained in the policy.

A structured and multi-tiered reporting system in place with a monthly reporting to the CTRO direction. Additionally, we conduct quarterly reporting to NFR and the external auditor. Finally, there is an annual report presented to the Managing Board and the Audit Committee. This ensures that all relevant bodies are kept informed about the number and nature of complaints and the actions taken based on the results.

Belfius distinguishes four handling levels for complaints:

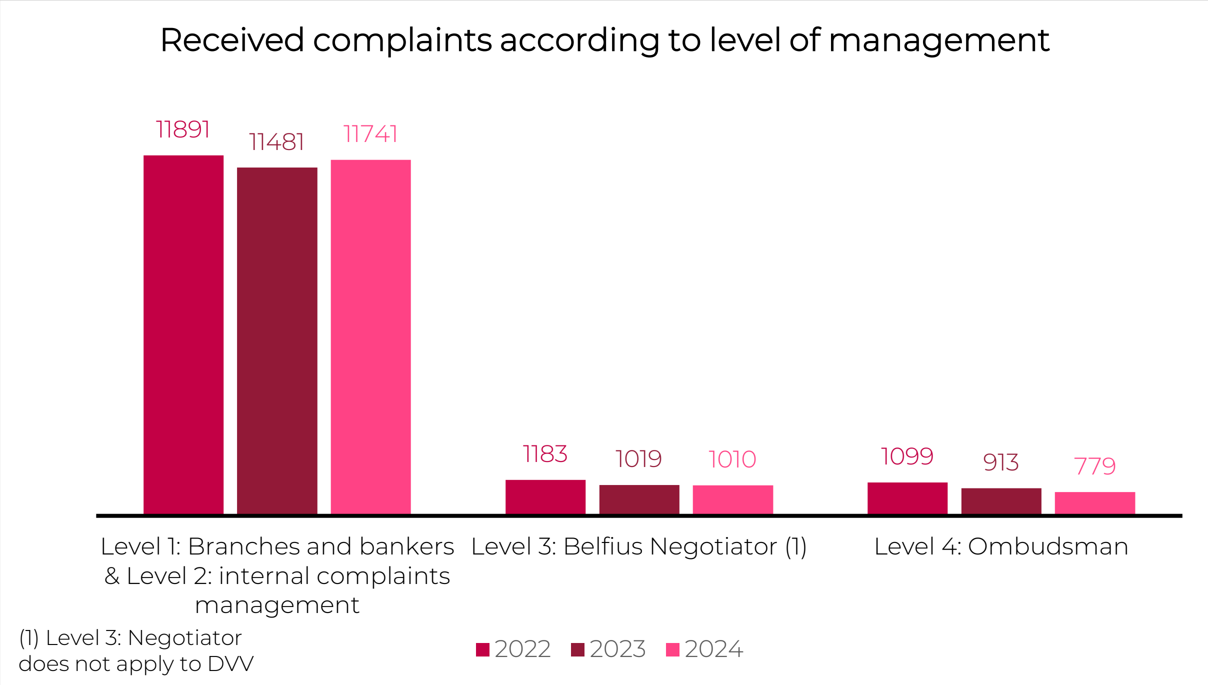
- First level: Salaried and independent branches, Wealth Managers, Public and Corporate bankers, as well as Belfius Connect. For the DVV brand this is Belfius Insurance Customer Service and Claims Department. Subsidiaries such as Belfius Lease, Belfius Auto Lease, Belfius Direct Assurances, Elantis and Belfius Commercial Finance register and handle complaints that concern their own activities themselves.

- Second level: The Complaints departments handle complaints within set deadlines, observing established quality standards and, in principle, providing the customer with a response. The Belfius Insurance complaints department handles complaints relating to the DVV brand, as well as complaints escalated by the Belfius Bank Complaints department, due to their technical complexity.

- Third level: In the event that the customer rejects the solution suggested by the Complaints department, they may address the Belfius Negotiator. As a neutral contact, the Belfius Negotiator makes a new analysis of the case, independently of the complaints department, and responds directly to the customer. This level does not exist for DVV complaints.

- Fourth level: Customers who continue to object to the position taken by Belfius can approach the Federal Bank/Insurance Ombudsman, or the Court. If the Federal Ombudsman considers the complaint admissible, it will be managed with the cooperation of the Belfius Negotiator.

In 2024, Belfius recorded 13,530 complaints, which represented an increase of 1% compared to 2023. Belfius' complaints management teams have been operating at 100% capacity to respond as quickly as possible to these complaints. The 2024 reporting period took into account all open complaints (including discrimination and privacy- related complaints), whether they had already been handled, were in the process of being handled, or were awaiting processing. This number does not include the complaints recorded by Belfius Direct Assurances (ex-Corona Direct), that has been merged with – and integrated into - Belfius Insurance in 2023.



Discrimination and privacy complaints

In our pursuit of protecting human rights, we want to decrease the number of complaints related to discrimination and privacy. Moreover, it is our legal duty as a financial institution to protect the confidentiality of our former and existing customers' data through securing their transactions and personal information.

In 2024, Belfius recorded 88 complaints related to a sense of discrimination, a 159% increase versus 2023 (2023: 34; 2022: 20; 2021: 26). Among these complaints, there were 7 complaints related to the investment policy in Israel. We have received more complaints from people with disabilities regarding the keys on the payment terminals and the difficulty of using card readers. It seems that these devices are not sufficiently accessible and pose significant challenges for the users concerned. A significant portion of these complaints pertains to the process of opening accounts for unaccompanied minors. The current procedures and required documents for opening these accounts are not known by the guardians who visit our branches to open these accounts. This lack of clarity has led to confusion and frustration among them, resulting in an increase in complaints. Furthermore, we have received a number of complaints from customers who feel discriminated due to their race, nationality, gender, or the language they speak. These incidents require special attention to ensure that all our customers feel respected and included. We constantly strive for a zero-tolerance policy regarding discrimination and will continue our internal communication awareness campaigns, designed following exchanges with the Federal Agency for the Reception of Asylum Seekers (Fedasil), the Red Cross, and UNIA (an inter-federal institution that fights discrimination and promotes equal opportunities).

In 2024, Belfius recorded 434 complaints concerning privacy, representing a 82% increase compared to 2023 (2023: 238). The majority of these are linked to the campaign to replace Maestro cards in 2023 and 2024. This has generated complaints regarding the addressing of cards. For the DVV insurance brand, one GDPR complaint was registered in 2024.

Of these complaints, none were related to severe Human Rights issues, therefore no formal process for remediation has been created.

3.4. Community involvement

With the guiding mission to be “Meaningful and Inspiring for Belgian Society. Together.”, Belfius aims to provide value to society through our range of products and services. Alongside our primary operations, Belfius is also dedicated to supporting the wider Belgian society through providing aid to Belgian charities and promoting access to culture for all.

As a result of the DMA, the following Impacts, Risks and Opportunities have been identified as material:

Topic	IRO	Description	Value chain
Community involvement	Impact	Contributing positively to the community, enabling individuals and businesses to partake in productive activities, investments, and transactions by providing essential financial infrastructure and support for the Belgian community.	Downstream
	Risk	Lack of community involvement or support may lead to negative public perception.	Downstream
	Opportunity	Investment focusing in local companies, local entrepreneurs and local community projects may improve Belfius' reputation and customer attraction and loyalty.	Downstream
	Opportunity	Community engagement may enhance Belfius' capability to identify and design products & services offering tailored to clients' needs and expectations.	Downstream

Due to the nature of our business, Belfius recognises that our operations are more likely to be linked or contribute to adverse human rights impacts rather than causing them directly. While this does to some extent limit the ability of Belfius to mitigate or stop negative impacts, that doesn’t mean Belfius can’t do everything it can to mitigate them. To mitigate this risk Belfius’ Human Rights Policy covers the products, customers, employees and suppliers of Belfius and all its subsidiaries.

Regarding Belfius’ complaints mechanism for clients, a tag has been created to distinguish complaints that may concern potential human rights violations. No specific system has been put into place regarding complaints coming from the Belgian Community. However, no severe Human Rights issues or incidents were reported in 2024 connected to Belfius’ affected communities and no formal process for remediation has been created.

Belfius takes pride in its longstanding commitment to supporting social initiatives. There is no specific policy describing Belfius’ community involvement strategy, however, as a principle, Belfius endeavours to foster durable relationships with a few stable, reputable and impactful organizations that align with Belfius’ overall mission and strategy. This alignment is regularly evaluated by the Brand Committee, composed of the CEOs of Belfius Bank and Insurance and the directors responsible for business lines, responsible for the protection and development of all Belfius brands. All communications projects (e.g. campaigns, art, sponsorship,…) need approval from the Brand Committee as mentioned in the Reputation Risk Policy. This policy focuses on the risk appetite, decision-taking process and roles and responsibilities regarding the reputation risk of Belfius. As for all risks, reputation risk management has a top-down and a bottom-up approach steered from the Board of Directors and Risk Committee to business activities via the Management Board.

The Belfius Communication department manages relations with chosen charities. The charities in question maintain full autonomy in their choices and operation of projects for children, young people and the disadvantaged. Belfius staff and agents from our independent network are encouraged to actively champion these charities, while no specific targets have been created.

Social projects supported by Belfius

Belfius actively supports Viva for Life. This initiative is the largest charity movement in French-speaking Belgium dedicated to combating child poverty. Managed by the Belgian radio and television station RTBF, in collaboration with charity CAP48 and Belfius, the initiative has had the support of Belfius as a sponsor since 2014 and as its principal sponsor since 2016. All donations and profits generated through this initiative are managed by CAP48, that is also responsible for selecting the dozens of supported associations. In 2024, a total of 185 institutions were supported with funds collected in 2023. In 2024 there was EUR 816,170 raised by Belfius.

Since this year, Belfius has also become a partner of Télévie, the charity campaign in French-speaking Belgium that is dedicated to cancer research, in collaboration with the NFSR. Belfius contributed EUR 75,000.

JEZ! is a youth collective founded in 2022 with the support of VTM, Qmusic, Het Laatste Nieuws and Belfius. It gives youth organizations a financial boost so that they can launch new projects for young people. These may be sports, cultural, artistic or social projects, as long as they make a positive difference in the lives of young people and fuel their commitment and solidarity. On the basis of a call by VTM, Qmusic, Het Laatste Nieuws and Belfius, the King Baudouin Foundation selected 200 organizations that illustrated daily commitment to young people. In 2024 there was EUR 390,263 raised by Belfius.

Through Belfius' partnership with Special Olympics Belgium since 2014, we support individuals with intellectual disabilities and encourage their integration into Belgian society through sport. Belfius has been a main partner of the Belgian Special Olympics since 2019. A total of 3,400 athletes participated in 20 sports at the May 2024 national games in La Louvière.

Belfius sponsors the Brussels and Antwerp campuses of Campus 19. This innovative educational institution offers training in computer coding for young adults from 18 years old. Part of the 42 Network, the first global network of free coding platforms, Campus 19 offers free education, emphasising its commitment to social inclusion. In 2024, Campus 19 had 559 active students and facilitated 35 internships, while also helping secure 53 job placements. The institution is making an effort to welcome more female students in a bid to address the significant gender imbalance in the IT sector. Belfius also partners with Da's Geniaal! / C'est génial!, an association whose mission is to interest all children aged 10 to 14 in STEM career opportunities.

Information about initiatives regarding innovation, for example Academic Chair in Ethics and AI, UGent Racing Team and Quantum Circle can be found in section 3.3.1. Innovation & Digitalization: Enhancing Customer Interaction. Information about Financial inclusion can be found in 3.3.4. Financial Inclusion & Access to Finance. These initiatives include information sessions held by Febelfin in which Belfius participate and the partnership with 'WOW' which includes networking and empowerment events for women.

Philantropy

Since 2019, Belfius has been offering investment solutions that invest in organizations that aim to tackle social and environmental problems. Belfius adds a further dimension by financially supporting good causes through partnerships with local entities, charities or similar initiatives. Belfius Bank, Belfius AM and Candriam each donate 10% of the fee they receive for these investment solutions to these charities or initiatives. Since 2019, EUR 11.4 million has been donated. The following charities are currently supported: Stichting Tegen Kanker, Airscan, The King Baudouin Foundation's Boost project, Close the Gap, The Tubbe initiative of the King Baudouin Foundation, Responsible Young Drivers, Campus 19, Natagora and Natuurpunt.

Beats customers have the opportunity to mark their choice for one or several societal themes that they consider important. This theme is then financially supported by Belfius via a pre-defined project, in 2024 a total of EUR 500,000 has been divided under the following charities:

- Beats for Health with My Cancer Navigator.
- Beats for Planet via Airscan.
- Beats for People with JEZ! for Flanders and Viva for Life for French-speaking Belgium.

Access to Art

Over the past decade, Belfius has been sharing its passion for art with the public. With over 4,000 pieces, the Belfius Art Collection is the largest private collection of Belgian art. Continuous efforts are made to actively manage and preserve the collection, as well as to expand it by adding new works from emerging Belgian talents. To share the collection, we arrange for the loan of artworks to museums in Belgium and neighbouring countries. Each year, a fresh thematic selection of about 60 works from our collection is presented at the Belfius Art Gallery, located on the 32nd floor of our Brussels headquarters, the Belfius Tower. To enable as many people as possible to enjoy this artistic heritage, the gallery opens its doors to the general public twice a month. Additionally, in collaboration with non-profit organizations, guided tours are organized so that visually impaired individuals can also experience the exhibitions.

4. Governance information

As a Belgian systemic bank and insurance company, Belfius needs to comply with applicable laws and regulations and act in accordance with the highest standards of integrity in all its operations and activities. This chapter covers the specific areas of Business Conduct, Sustainable Procurement and Resilience & Compliance.

As a result of the DMA, the following Impacts and Risks have been identified as material:

Topic	IRO	Description	Value chain
Corporate Governance & Business Conduct	Impact	Damaging stakeholders' trust, including consumers', but not adhering to the highest standards of business conduct.	Own operations
	Risk	Failure to meet qualitative and quantitative expectations from customers and regulators with regards to business conduct and corporate governance may lead to reputational damage.	Own operations
	Risk	Failure to meet qualitative and quantitative expectations from the regulators with regards to business conduct and corporate governance may lead to financial penalties.	Own operations
Sustainable Procurement	Impact	Advocating in favour of minimizing air pollution resulting from the suppliers' operations.	Upstream
	Impact	Advocating in favour of limiting the negative impact on biodiversity and ecosystem of suppliers.	Upstream
	Impact	Advocating in favour of limiting the negative impact on water and marine resources (i.e. decreasing water consumption, limit the use of freshwater, ...) by integrating sustainability criteria in the choice of suppliers.	Upstream
	Impact	Encouraging and ensuring good working conditions for workers in the supply chain.	Upstream
Resilience	Impact	Enhancing the resilience of Belgium's financial system and bolstering consumer confidence to spur economic growth by strengthening Belfius' own resilience.	Own operations
	Risk	A lack of compliance with regulators' expectations relating to minimum capital solvency requirements, liquidity, sound risk management & corporate governance may lead to legal penalties and reputational damages.	Own operations

4.1. Business Conduct

Upholding good business conduct is essential to achieving Belfius' goals and strategy. Grounded in its core values, the highest standards of ethical behaviour, ensuring compliance and integrity are maintained. In its role as systemic bank and insurance company, Belfius is subject to strict rules and laws relating to business conduct, contributing to the resilience of the financial system and consumer's trust. The role of the Board of Directors and Management Board with respect to Business Conduct is included in section 1.5.

4.1.1. Belfius' Compliance Framework

Belfius' Compliance Framework represents the Belfius values through a large set of policies and procedures. It includes the Compliance Charter, the Integrity Policy, the general Code of Ethic, specific Codes of Conduct, as well as policies that covers specific topics such as market abuse, anti-bribery, anti-fraud, anti-money laundering and whistleblowing. These policies are available on the Belfius intranet and accessible to all employees within the group. The main policies are also published on Belfius' corporate website.

The Compliance Charter describes the tasks, powers and position of the compliance function within Belfius. The Charter is based on the NBB and FSMA Joint Circular defining the mission of the Compliance function in financial institutions. According to the Circular, the Compliance function is an independent function inside the organization, focused on the adherence to rules related to the integrity of the organisation's activities and the management of the organisation's compliance risk. With the mission of being responsible for overseeing the adherence to legal and regulatory integrity and conduct rules that apply to the specific sector of the organisation.

The Integrity Policy is a high level policy promoting honest, open and ethical behaviours from Belfius employees. Together with ensuring that laws, regulations, and other professional standards are adhered to, so that the reputation of Belfius, its products, services, and activities are strengthened and protected. Most of the areas listed in the Belfius Integrity Policy are also covered in the internal Code of Conduct. The Compliance function monitors the implementation and adherence to the current Integrity Policy.

The Code of Conduct sets out the rules that must be complied with at Belfius. These rules are based on and provide practical interpretations of a number of fundamental values, such as respect (for customers, for each other, for Belfius, for the law and for the regulations), honesty and transparency. It is aimed at everyone who works for and with Belfius, regardless of their status, their level within the hierarchy or the entity for which they work. The Management Board validates the Code of Conduct and the Compliance is responsible for the implementation of the policy.

The Market Abuse Policy deals with and defines markets abuse as being insider trading, the illicit disclosure of privileged information and market manipulation. It defines market abuse in detail and gives an overview of the preventive measures and case handling procedures that are put in place. The Market Abuse Policy aims at establishing the principles regarding the prevention and detection of market abuse and sets out the principles and measures that must be applied in the various departments of Belfius Bank and its subsidiaries, based on the activities and information they deal with. The Compliance function has access to all relevant information and documentation for the implementation of the policy.

The Anti-Bribery Policy describes examples of situations, relationships and collaborations that are traditionally considered as being susceptible to the risk of bribery. It also mentions a strict prohibition on proposing or offering unauthorised benefits, requesting or accepting unauthorised benefits or processing funds that can be reasonably or with certainty suspected of involving unauthorised benefits. The policy applies to all activities conducted by or on behalf of the entities within the Belfius group, as well as to the members of the Board of Directors, all members of the administrative and governing bodies and all persons employed in the Belfius group, both permanent and temporary employees. Belfius also expects its customers, suppliers, external service providers, intermediaries, business partners or other persons or entities associated with Belfius to apply the same strict rules as stated in this Anti-Bribery Policy. The Compliance function is responsible for supervising that the ethical rules and other rules of conduct are observed.

The Anti-Fraud Policy sets out Belfius' anti-fraud risk management framework. Fraud can lead to severe financial losses, lawsuits and reputation damage and has the potential to have a cost for its customers and for society. All Belfius employees are expected to respect the fraud risk policies, guidelines and procedures applicable within their particular area of work. The Chief Risk Officer (CRO) is in general, as for all risks, responsible for sound risk management.

The Anti-Money Laundering (AML) Policy establishes the general framework for the fight against money laundering and financing of terrorism. The policy covers topics such as customer identification and verification, customer acceptance, ongoing customer due diligence, ongoing transaction monitoring and embargos and sanctions screening. In accordance with the AML/CFT legislation, Belfius has appointed a responsible at the "highest level" among its Board of Directors for the prevention of Money Laundering and Terrorist Financing, namely the CEO.

Unlawful behaviour or behaviour in contradiction of the Belfius Code of Conduct or similar internal rules are identified, investigated and reported through several mechanisms and procedures, including secured whistleblowing channels and GDPR-compliant transaction controls in the context of market abuse and corruption. Belfius provides a Whistleblowing Policy that allows individuals such as employees, directors, customers, suppliers, business associates and the public in general to report any allegations or financial or legal impropriety. While in general reporting's are made by internal stakeholders, reporting from external stakeholders is always possible through the whistleblowing system or complaints procedure. The whistleblowing reporting can be accessed internally or externally. All reported concerns are viewed and evaluated by the Compliance department. Whistleblowers are protected from any kind of retaliation or discriminatory or disciplinary action as a result of submitting a report, all in accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council. Training on the whistleblowing topic is mandatory for all employees and included in the general training on the Code of Ethics.

4.1.2. Corporate culture

Belfius requires its employees to adhere to its values, code of conducts and promotes ethical behaviour. New employees are required to follow training on corporate culture and behaviour. This training includes Belfius' Code of Ethics, anti-corruption, whistleblowing, GDPR and market abuse modules. Ongoing training, specific communication and reminders with respect to business conduct is provided to all employees. All policies and procedures are permanently available to all employees via the intranet, as well as extra information and examples. The general anti-corruption training is part of the Code of Conduct training that is mandatory for all employees. It is a mandatory training in the onboarding process and employees need to follow an update when necessary, i.e. if there would be a change in the company's deontology, aiming at a refresh every five years. All the above mentioned trainings are e-learnings with an included test. Ad hoc specific trainings are usually classroom trainings and organised on demand. All new members of the administrative, management and supervisory bodies also receive a global training program including Compliance topics such as anti-bribery. This training is tailor made and is organised ad hoc. There is no specific frequency for updates.

During 2024, additional training and awareness was provided in the domain of market abuse. The overall compliance web-learning was expanded with deep dive workshops and specific on-the-job trainings for departments that are more likely to be confronted with market abuse or are involved in detecting and handling cases, "adequate training" being a legal requirement based on the market abuse directive. Belfius continuously updates and refreshes its training curriculum to provide employees with the necessary tools and skills to support ethical behaviour.

Belfius has a zero tolerance approach to bribery and corruption and is subject to Belgian and European laws related to that matter. Belfius does not engage in or tolerates any form of facilitation payment. Belfius considers the commercial departments and the procurement department as more exposed to the risk of corruption and bribery, given the frequent commercial contacts or the possibility that a supplier might want to influence an employee.

Business conduct training table

	Risicovolle functies	Alle medewerkers
Anti-omkoping		
Trainingsbereik (anti-omkoping)	N/A	89%
Frequentie	N/A	Every 5 years
Marktmisbruik		
Trainingsbereik (marktmisbruik)	100%	89%
Frequentie	Every 5 years	Every 5 years
AML		
Trainingsbereik (AML)	89%	89%
Frequentie	Every 2 years	Every 2 years

4.1.3. Detection and monitoring practices

Business conduct incidents, including incidents of corruption and bribery, are investigated independently and objectively, either by the Compliance department or by Audit Investigations or by both, depending on the case. A specific procedure is in place to follow-up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937. In addition to this procedure, incidents of corruption and bribery can be reported to the Compliance or the Audit investigation departments and will be treated along similar procedures that are also treated promptly, independent and objective.

Employees or external stakeholders are protected when using the whistleblowing procedure and/or any other "speaking up procedure" in general (e.g. speaking up to Compliance outside of the official whistleblowing procedure) to address allegations or incidents of corruption or bribery. The Compliance Officer and his department operate independently when investigating corruption or bribery. In cases where it is necessary, Belfius has a general process for reporting the outcomes of investigations to the administrative, management, and supervisory bodies. During the time the report is being dealt with, the Compliance Officer or the AML Compliance Officer will update the chairman of the Management Board of progress on a regular basis. The whistleblowing procedure is an extra and specific process to inform those bodies during an investigation so that they can evaluate the case. The recommendations of the Compliance Officer or AMLCO will be reported to management for a decision. No cases of whistleblowing were reported in 2024.

Incidents of corruption and bribery may be prevented by specific technical barriers that are programmed in the IT-tools which monitor any suspicious transactions on employees' bank accounts, such as transfers to and from clients' accounts. As for the detection, some atypical behaviours that indicate an ongoing attempt or case of corruption or bribery are being monitored and examined. Throughout 2024, Belfius successfully maintained its standard of ethical operations. Belfius received no convictions or fines for violation of anti-corruption or anti-bribery laws in 2024.

4.2. Sustainable Procurement

Belfius' expectations with respect to the behaviour of its suppliers are documented in a set of policies which are available online on the corporate website. The Procurement policy is only available on the intranet. The Head of Procurement is responsible for the implementation of these policies.

Sustainability Code of Conduct for Suppliers

The Code of Conduct for Suppliers is aligned with the United Nations Global Compact's 10 principles, promoting the obligation of its suppliers to respect internationally acknowledged human rights and adhere to health and safety standards within their workplaces and in relation to their products and services. The policy also places emphasis on the importance of lawful labour practices, principles of anti-corruption and integrity and the respect of freedom of association and collective bargaining. Lastly, Belfius expect all suppliers to support a precautionary approach to environmental challenges and to work to limit their environmental impact. The policy considers the interests of key stakeholders, including suppliers and employees.

The Code of Conduct for Suppliers applies to all providers of goods and services to Belfius and its subsidiaries. It is mandatory for suppliers with whom Belfius wishes to sign a contract or has an active contract. The Code of Conduct for suppliers also applies to all supplier entities, i.e. supplier parent companies and subsidiaries, if relevant. It also requires suppliers to ensure their own suppliers and subcontractors adhere to these principles. Belfius is committed to engaging with all stakeholders and integrating ESG criteria in procurement activities.

General Terms and Conditions of Purchase

The General Terms and Conditions of Purchase details the supplier's obligations regarding legal and regulatory adherence, quality assurance, and alignment with Belfius' operational procedures. It covers the responsibilities and performance standards required of the providers, including environmental, social, and governance aspects, payment terms, data protection, and intellectual property rights management.

Procurement Policy

The Procurement Policy outlines the process by which Belfius buys goods and services. This policy explains the mission and objectives of the procurement functions and describes the different steps in the procurement process. It also clarifies the roles and responsibilities of all functions and departments involved in the procurement process and highlights any related policies and principles which must be adhered to. The objective is to set a clear framework for all employees and external contractors who are involved in activities related to the purchase of goods and services, including the selection of and the collaboration with vendors and procurement during the entire process.

This policy applies to any Belfius personnel or external contractors executing procurement activities and/or interacting with vendors on behalf of Belfius. Subsidiaries of Belfius Bank and Belfius Insurance must also apply the principles described in this policy. This policy covers all purchases except for specified areas such as business deals, infrastructures, banking services, real estate, and others where business units are responsible and must follow procurement guidelines.

The Head of Procurement is responsible for implementing and maintaining this policy within its various scopes of activities which implies taking the appropriate actions in terms of broad communication, training, self-audit and, improvement suggestions.

The policy considers the interests of key stakeholders by integrating sustainability principles and ESG considerations, assessing vendor activities against ethical criteria, preventing conflicts of interest, and fighting against bribery and corruption. The Procurement mission reflects stakeholder interests by aiming for operational efficiency, cost optimizations, and ethical vendor relationships. The policy is available for any affected stakeholders who need to implement it on Belfius intranet.

Our meaningful actions

Belfius is dedicated to maintaining a supply chain that meets its ESG obligations and adheres to its ESG oversight policies. These last two years Belfius achieved significant advancements in its supply chain oversight concerning ESG. Sustainability criteria are progressively being integrated into the tendering and selection process of its suppliers. For all new key suppliers involved in an RFP process, 10% of the total score is allocated to sustainability-related aspects. Belfius has also initiated a series of training sessions on sustainability and sustainable procurement for the Procurement team.

EcoVadis is utilized as a leading independent ESG rating company to establish a more robust and comparable mechanism for its supply chain assessment. Suppliers are scrutinized using a scorecard system that spans 21 Corporate Social Responsibility (CSR) criteria across four themes: Environment (air pollution, biodiversity, water and marine resources, etc.), Labour & Human Rights (working conditions, career management, etc.), Ethics (anti-corruption, etc.) and Sustainable Procurement. The assessment is grounded in international standards, including the UN Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs), OECD guidelines, and ISO standards, among others. Suppliers are rated based on their policies, actions, and results concerning material sustainability matters, ensuring a comprehensive evaluation of their ESG performance. This assessment currently focuses primarily on its critical suppliers, which include critical, outsourcing, and high risk suppliers.

A significant aspect of this ESG commitment is encouraging and ensuring good working conditions for workers in the supply chain. Belfius recognizes the importance of social responsibility and strives to uphold high labour standards among its suppliers. For 2024, the goal is to have 80% of suppliers spend complete the EcoVadis assessment. Belfius has successfully achieved this target, with 80% of its suppliers having undergone the evaluation.

In 2024, ESG due diligence was conducted on 100% of new critical suppliers, which are defined in accordance with the EBA Guidelines on outsourcing arrangement. By the end of the year, 80% of existing critical suppliers had been evaluated by EcoVadis and possessed a valid scorecard, achieving the goals that were set in 2022. In 2025 and beyond, Belfius plans to continue engagement discussions with suppliers who have not yet been ESG assessed and to keep promoting awareness and embedding the various practices initiated this year. Belfius is committed to enhancing its suppliers diligence and tracking its progress against set targets, being 100% of its critical suppliers being ESG screened, 80% of its total 3rd party spend being ESG screened and signing for adherence to its 3rd parties Code of Conduct.

While there are no specific targets regarding the score that suppliers need to achieve on the assessment, suppliers are encouraged to enhance their EcoVadis scores within two years when their previous score is insufficient. Belfius is also committed to supporting suppliers in remediation efforts to align their ESG scoring with compliance requirements.

4.3. Resilience & Compliance

Belfius is required to align to regulatory requirements regarding solvency, liquidity and risk metrics (as defined amongst others under Basel III and Solvency II). Further to these regulatory requirements, Belfius stated in its Risk Appetite Framework that, in normal market circumstances and under stable regulations, it would strive to respect a minimum operational CET 1 ratio of 13.5% (on consolidated level) and a Solvency II ratio of 160% (after dividend).

	Metric	Regulatory requirement	Belfius' defined Target
CET 1 ratio	15.39%	10.931%	13.50%
Total Capital Ratio	18.62%	7.00%	N/A
Leverage Ratio	6.46%	3.00%	N/A
Net Stable Funding Ratio (NSFR)	133%	100%	N/A
Liquidity Coverage Ratio (LCR)	139%	100%	N/A
Solvency II Ratio (after dividend)	196%	100%	160%

In line with Art. 194 of the Banking Law, Belfius is managing risks based on a group-wide, consolidated and integrated risk management framework. It assumes a risk-based approach to further strengthen the conglomerate dimension.

The overall objective is to have a risk management coordination at conglomerate level, ensuring consistency while respecting the entities' specificities, responsibilities and legal/regulatory obligations. The main pillars of this risk management are an appropriate risk governance structure, a robust and aligned risk framework, risk monitoring and decision-taking process.

The three main entities (BB, BI and Belfius AM) have similar risk policies, guidelines framework and approach. They use similar and/or common tools ensuring consistency and enabling coherence as well as an integrated management of risks and internal controls:

- Risk Appetite Framework: defined and validated Group-wide by Belfius Bank and cascaded down to subsidiaries based on the RAF at a Group level and reflecting and monitoring their own (financial and non-financial) vulnerabilities and risks.;

- Risk Management & Control executed through the "Senior Management Report on the Assessment of the Internal Control";

- ICAAP (Internal Capital Adequacy Assessment Process) & Recovery Plan (Belfius Bank) and ORSA (Own Risk and Solvency Assessment; Belfius Insurance).

Risk appetite

Risk appetite is the level of risk that an institution is prepared to take given the expectations of the main stakeholders (shareholders, creditors, regulators, rating agencies, customers, employees, …), in order to ensure the safeguard of a sound risk and financial profile. This risk appetite is defined by the Board of Directors, on proposals from the Management Board. The Risk Department prepares the Management Board's proposals and the Board of Directors' decisions, and also sets the rules and the framework for implementation of those rules.

Based on a holistic approach, risk appetite is a central reference point:

- for guiding strategy and planning;

- for framing performance in terms of growth and value creation;

- for facilitating day-to-day operating and commercial decisions.

The Bank's risk appetite consists of a series of quantitative elements (Key Risk Indicators) and qualitative elements (statements) that are designed to express the risk levels that are not acceptable, that are tolerated and targeted in order to achieve the business strategy. They reflect also the risk culture (eg ethics, tax, compliance, fraud, …). The quantitative framework is based on a mix of accounting ratios (gearing), regulatory ratios (solvency, liquidity), economic ratios (economic capital, earnings at risk) and internal KRIs. The different metrics cover a wide range of risks (credit risks, solvency, liquidity, market risks, concentration risks, non-financial risks, compliance risks, model risks, ESG risks …).

Limits have been defined for each of these ratios with different zones, which lead to different governance and measures in case of breach. They are reviewed and updated on a yearly basis by the competent bodies. The Risk department is responsible for monitoring these ratios and, if risk appetite is breached, for proposing measures to the Management Board to ensure the limits are met back within a reasonable timeframe.

The RAF is deployed in the main subsidiaries, thereby allowing for increased consistency throughout the group and close monitoring of the risk profile by the Conglomerate Monitoring Committee.

Next to the quantitative part, the qualitative statements consist of guiding rules aiming at defining the risk appetite that cannot be expressed through quantitative ratios.

As each year, the Risk Appetite Framework (RAF) has been updated and approved by the Board of Directors in December 2024.

Stress tests

Belfius conducts annual stress tests as part of the ICAAP to assess its ability to withstand adverse scenarios and identify vulnerabilities in its solvency, profitability, and liquidity position. Each year, these stress test scenarios are reviewed and updated to ensure they remain relevant and reflect current and potential threats. On top of this regular annual review, the Risk Management team conducts quarterly analyses of key changes in macroeconomic and interest rate assumptions outlined in the financial plan to monitor potential deviations from the base case and proximity to stress test scenarios.

The financial plan stress scenarios for 2025-2027 are built around the main macroeconomic uncertainties surrounding Belfius as well as its idiosyncratic risks. These scenarios examine the viability of the financial plan under severe and long-lasting economic recession characterized by trade fragmentation. Two adverse scenarios have been analyzed: (1) an economic slowdown combined with “high inflation” fueled by geopolitical tensions; and (2) “Hard landing”, a deep economic recession, stemming from aggressive US tariff barriers on already fragilized sectors. These scenarios shed light on Belfius Group’s sensitivity to two opposing evolutions of interest rates, each emphasizing specific competition level and client preferences.

The scenarios include comprehensive second-round effects and the solvency-liquidity feedback loop in this changing environment. The stress testing underscores the importance of proactive management and monitoring of vulnerable clients, as well as the need for a well-balanced hedging and pricing strategy to navigate the volatile interest rate environment.

On top of the financial plan stress tests, several reverse stress tests have been conducted on solvency and net interest income with tail risk events, a. o. on public sector entities allowing for an exhaustive risk identification. A dedicated reverse stress on non-financial risks, particularly on the losses related to external fraud, has allowed to better grasp the drivers of this increasing risk and their sensitivities.

Belfius confirms the adequacy of its solvency level in line with its strategic growth objectives while remaining capable of absorbing severe economic and idiosyncratic shocks. The income diversification strategy pursued by Belfius group, which includes both banking and insurance activities, reduces the stress associated with extreme fluctuations and reduces the dependency on activity income. Under the severe systemic shocks considered, Belfius will continue to support the Belgian economy.

Belfius participated in several ESG-related exercises led by the ECB and EBA, most notably the 2022 ECB economy-wide climate stress test and the one-off Fit-for-55 climate risk scenario analysis. Belfius also performed several internal climate stress tests. It assessed the financial impact of climate transition risks on its business and corporate customers and investees. It also evaluated the mortgage credit portfolio, considering the most prevalent transition and physical (flood) risks. The results of the climate stress tests conducted to date indicate that the impacts from climate and environmental risk drivers, although significant, remain fully manageable under the given scenarios, due to Belfius' resilience.

Recovery plan

Belfius has revised its Recovery Plan and submitted it to the ECB. This plan outlines a detailed governance and activation procedure for recovery measures that would be implemented to restore the bank’s long-term viability in the event of a significant deterioration of the macroeconomic environment. The recovery plan includes a comprehensive set of measures to effectively address both solvency and liquidity needs with across various scenarios. Belfius has demonstrated that there are adequate recovery measures available to bring its ratios back above the recovery thresholds.

Resolution

Belfius cooperates with the Single Resolution Board to prepare resolution plans, in particular by providing them with all information conform the requirements. Workshops with the SRB and their communications (working priority letters) confirmed that Belfius has made significant progress in the last years in terms of quality, completeness and timely deliveries. Belfius remains fully committed to further develop its resolvability capabilities in accordance with the SRB expectations.

Statutory auditor's limited assurance report on the consolidated sustainability information of Belfius Bank NV/SA

To the general meeting

In the context of the legal limited assurance engagement on the consolidated sustainability information of Belfius Bank NV/SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our report on this engagement.

We were appointed by the general meeting of 19 March 2025 in accordance with the proposal of the board of directors on the recommendation of the audit committee and as presented by the workers' council of the Company to perform a limited assurance engagement on the consolidated sustainability information of the Group included in the Report of the Board of Directors as of 31 December 2024 and for the year ended on this date (the "sustainability information"). This appointment confirms the letter of engagement with the Company dated 15 October 2024, which precedes the transposition into Belgian law of European Directive 2022/2464.

Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2025. This is the first year for which we have performed the assurance engagement on the sustainability information of the Group.

Limited assurance conclusion

We have performed a limited assurance engagement on the sustainability information of the Group.

Based on the procedures performed and assurance evidence obtained, nothing has come to our attention to cause us to believe that the sustainability information of the Group is in all material respects:

- not prepared in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European standards for sustainability information (European Sustainability Reporting Standards (ESRS));

- not in compliance with the process carried out by the Group to identify the sustainability information ("the Process") in accordance with the European Standards as disclosed in section '1.1. Basis for preparation' of the sustainability information; and

- not in compliance with article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the publication of the disclosure included in the section 2.5. EU Taxonomy of the part of the annual report regarding environmental aspects.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), as adopted in Belgium.

Our responsibilities under this standard are further described in the "Responsibilities of the statutory auditor for the limited assurance engagement on the sustainability information" section of our report.

We have complied with the ethical requirements that are relevant to our assurance engagement on the sustainability information in Belgium, including the independence requirements.

Our firm applies International Standard on Quality Management (ISQM) 1. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for our limited assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The scope of our procedures is limited to our limited assurance engagement on the sustainability information of the Group. Our limited assurance engagement does not extend to information relating to the comparative figures.

Board of directors' responsibilities for the preparation of the sustainability information

The board of directors of the Company is responsible for designing and implementing the Process and for disclosing this Process in section '1.6. Material impacts, risks and opportunities: Double Materiality Assessment' of the sustainability information. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability information, which includes the information determined by the Process:

- in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European standards for sustainability information (European Sustainability Reporting Standards (ESRS)); and
- in compliance with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the publication of the information included the section 2.5 EU-taxonomy of the part of the annual report regarding environmental aspects.

This responsibility entails:

- designing, implementing and maintaining such internal controls that the board of directors determines are necessary to enable the preparation of the sustainability information such that it is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee is responsible for overseeing the Company's sustainability information reporting process.

Inherent limitations in preparing the sustainability information

In reporting forward-looking information in accordance with ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected and the deviations may be material.

Responsibilities of the statutory auditor for the limited assurance engagement on the sustainability information

It is our responsibility to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability information as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as adopted in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work carried out in an engagement with a view to obtaining a limited degree of assurance, for which we refer to the section "Summary of the work performed", is less in extent than for a reasonable assurance engagement. We therefore do not express a reasonable assurance conclusion.

As the forward-looking information contained in the sustainability information and the assumptions on which it is based, relate to the future, it may be affected by events that may occur and/or by possible actions of the Group. The actual outcome is likely to differ from the assumptions, as the anticipated events will frequently not occur as expected and the deviations may be material. Our conclusion is therefore not a guarantee that the actual outcomes reported will be consistent with those included in the forward-looking information included in the sustainability information.

Our responsibilities in relation to the Process for reporting the sustainability information, include:

- obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in section '1.6. Material impacts, risks and opportunities: Double Materiality Assessment' of the sustainability information.

Our other responsibilities in respect of the sustainability information include:

- obtaining an understanding of the Group's control environment, relevant processes and information systems for the preparation of the sustainability information but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- identifying areas in the sustainability information where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures focused on disclosures in the sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain assurance evidence about the sustainability information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of our procedures depend on our professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability information.

In conducting our limited assurance engagement with respect to the Process, we have:

- obtained an understanding of the Process by:

  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and

  - reviewing the Group's internal documentation of its Process; and

- evaluated whether the assurance evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in section '1.6. Material impacts, risks and opportunities: Double Materiality Assessment' of the sustainability information.

In conducting our limited assurance engagement with respect to the sustainability information, we have amongst others:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its sustainability information by, through the performance of inquiries, obtaining an understanding of the Group's control environment, relevant processes and information systems for the preparation of the sustainability information;

- evaluated whether material information identified by the Process is included in the sustainability information;

- evaluated whether the structure and the presentation of the sustainability information is in accordance with the ESRS;

- performed inquiries of relevant personnel and analytical procedures on selected disclosures in the sustainability information;

- performed substantive assurance procedures based on the basis of a limited sample on selected disclosures in the sustainability information;

- obtained assurance evidence on the methods for developing material estimates and forward-looking information as further described in the "Responsibilities of the statutory auditor for the limited assurance engagement on the sustainability information" section of our report; and

- obtained an understanding of the process of the Group to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability information.

Information about the statutory

Our audit firm and our network have not performed any engagement which is incompatible with the limited assurance engagement and our audit firm remained statutory of the Group during the term of our mandate.

Zaventem, 26 March 2025

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Olivier Macq
Réviseur d'Entreprises
Bedrijfsrevisor

5. Appendix

5.1. Index table disclosure requirements

Cfr the requirements of ESRS 2, this table includes the list of disclosure requirements, including the datapoints derived from other EU legislations as listed in Appendix B of ESRS 2, and the placement within the document.

List of material DR	Chapter
ESRS 2 – General Information	
BP-1 – General basis for preparation of the sustainability statement	Chapter 1
BP-2 – Disclosures in relation to specific circumstances	Chapter 1
GOV-1 – The role of the administrative, management and supervisory bodies - Diversity	Chapter 1
Board's gender diversity paragraph 21 (d)	
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies - integration ESG	Chapter 1
GOV-3 – Integration of sustainability-related performance in incentive schemes	Chapter 1
GOV–4 - Statement on due diligence - Referencing IRO's to chapters	Chapter 1
Statement on due diligence paragraph 30	
GOV–5 - Risk management and internal controls over sustainability reporting	Chapter 1
SBM-1 – Strategy, business model and value chain - general	Chapter 1
Involvement in activities related to fossil fuel activities paragraph 40 (d) i	
Involvement in activities related to chemical production paragraph 40 (d) ii	
Involvement in activities related to controversial weapons paragraph 40 (d) iii	
SBM-2 – Interests and views of stakeholders	Chapter 1
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 1
IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	Chapter 1
IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Chapter 1
E1 - Climate Change	
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Chapter 1
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Chapter 1
E1-1 – Transition plan for climate change mitigation	Chapter 2
Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	
E1.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 2
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Chapter 2
E1-2 – Policies related to climate change mitigation and adaptation	Chapter 2
E1-3 – Actions and resources in relation to climate change policies	Chapter 2
E1-4 – Targets related to climate change mitigation and adaptation	Chapter 2
GHG emission reduction targets paragraph 34	
E1-5 – Energy consumption and mix	Chapter 2
Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	
Energy consumption and mix paragraph 37	
Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Chapter 2
Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	
Gross GHG emissions intensity paragraphs 53 to 55	
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Chapter 2
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Chapter 2
Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	
Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	
Minimum disclosure requirement	Chapter 2
EU Taxonomy	Chapter 2
E2 - Pollution	
Disclosure Requirement E2-4 – Pollution of air, water and soil	Not Material
Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	
E3 - Water and marine resources	
E3-1 – Policies related to water and marine resources	Not Material
Water and marine resources paragraph 9	
Dedicated policy paragraph 13	
Sustainable oceans and seas paragraph 14	
E3-4 – Water consumption	Not Material
Total water recycled and reused paragraph 28 (c)	
Total water consumption in m3 per net revenue on own operations paragraph 29	
E4 - Biodiversity and Ecosystems	
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Not Material
Paragraph 16 (a) i	
Paragraph 16 (b)	

Paragraphh 16 (c)	
E4-2 – Policies related to biodiversity and ecosystems	Not Material
Sustainable land / agriculture practices or policies paragraph 24 (b)	
Sustainable oceans / seas practices or policies paragraph 24 (c)	
Policies to address deforestation paragraph 24 (d)	
E5 - Resource use and Circular economy	
E5-5 – Resource outflows	Not Material
Non-recycled waste paragraph 37 (d)	
Hazardous waste and radioactive waste paragraph 39	
S1 - Own Workforce	
ESRS 2 SBM-2 – Interests and views of stakeholders	Chapter 1
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 3
S1-1 – Policies related to own workforce	Chapter 3
Human rights policy commitments paragraph 20	
Processes and measures for preventing trafficking in human beings paragraph 22	
Workplace accident prevention policy or management system paragraph 23	
S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	Chapter 3
S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	Chapter 3
Grievance/complaints handling mechanisms paragraph 32 (c)	
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Chapter 3
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunity	Chapter 3
S1-6 – Characteristics of the undertaking's employees	Chapter 3
S1-7 – Characteristics of non-employees in the undertaking's own workforce	Chapter 3
S1-8 – Collective bargaining coverage and social dialogue	Chapter 3
S1-9 – Diversity metrics	Chapter 3
S1-10 – Adequate wages	Chapter 3
S1-11 – Social protection	Chapter 3
S1-12– Persons with disabilities	Chapter 3
S1-13 – Training and skills development metrics	Chapter 3
S1-14 – Health and safety metrics	Chapter 3
Number of fatalities and number and rate of workrelated accidents paragraph 88 (b) and (c)	
Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	
S1-15 – Work-life balance metrics	Chapter 3
S1-16 – Remuneration metrics (pay gap and total remuneration)	Chapter 3
Unadjusted gender pay gap paragraph 97 (a)	
Excessive CEO pay ratio paragraph 97 (b)	
S1-17 – Incidents, complaints and severe human rights impacts	Not Material
Incidents of discrimination paragraph 103 (a)	
Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	
Minimum disclosure requirement	Chapter 3
S2 - Workers in the value chain	
ESRS 2 SBM-2 – Interests and views of stakeholders	Chapter 1
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 3
Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	
S2-1 – Policies related to value chain workers	Chapter 3
Human rights policy commitments paragraph 17	
Policies related to value chain workers paragraph 18	
Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Chapter 3
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Chapter 3
Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	
Minimum disclosure requirement	Chapter 3
S3 - Affected communities	
ESRS 2 SBM-2 – Interests and views of stakeholders	Chapter 1

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 3
S3-1 – Policies related to affected communities	Chapter 3
Human rights policy commitments paragraph 16	
Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Chapter 3
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Chapter 3
Human rights issues and incidents paragraph 36	
Minimum disclosure requirement	Chapter 3
S4 - Consumers & end-users	
ESRS 2 SBM-2 – Interests and views of stakeholders	Chapter 1
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 3
S4-1 – Policies related to consumers and end-users	Chapter 3
Policies related to consumers and end-users paragraph 16	
Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	
S4-2 – Processes for engaging with consumers and end-users about impacts	Chapter 3
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Chapter 3
S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Chapter 3
Human rights issues and incidents paragraph 35	
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chapter 3
Minimum disclosure requirement	Chapter 3
G1 - Business conduct	
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	Chapter 1
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Chapter 1
G1-1– Business conduct policies and corporate culture	Chapter 4
United Nations Convention against Corruption paragraph 10 (b)	
Protection of whistleblowers paragraph 10 (d)	
G1-2 – Management of relationships with suppliers	Chapter 4
G1-3 – Prevention and detection of corruption and bribery	Chapter 4
Minimum disclosure requirement	Chapter 4
G1-4 – Incidents of corruption or bribery	Not Material
Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	
Standards of anti- corruption and anti- bribery paragraph 24 (b)	
Minimum disclosure requirement	Chapter 4
Meaningful Investment	
Minimum disclosure requirement	Chapter 2
Meaningful Financing	
Minimum disclosure requirement	Chapter 2
Meaningful Insurance	
Minimum disclosure requirement	Chapter 2
Information security and data protection	
Minimum disclosure requirement	Chapter 3
Financial inclusion	
Minimum disclosure requirement	Chapter 3
Innovation and digitalization	
Minimum disclosure requirement	Chapter 3
Resilience	
Minimum disclosure requirement	Chapter 4

5.2. EU Taxonomy – mandatory disclosures

The mandatory EU Taxonomy templates are presented on the following pages.

As a preliminary remark, in this second year of reporting on Taxonomy alignment, Belfius observes that, for many of its counterparties, data is still not – or not accurately – reported/captured. While Belfius has conducted extensive manual checks to ensure the quality of its disclosures, the accuracy of its reporting ultimately depends on the information provided by its counterparties (clients and investees). This highlights the ongoing challenge of data availability and reliability, which remains a key issue in EU Taxonomy reporting.

Consolidated KPIs

As requested by the European Commission, Belfius publishes a computation of the weighted average of KPIs on Taxonomy-aligned activities. The table below provides consolidated KPIs of its respective business segments.

	KPI per business segment					
	Revenue (in millions of EUR)	**Proportion of total group revenue (A)**	***KPI Turnover-based (B)***	***KPI CapEx-based (C)***	***KPI Turnover-based weighted (A*B)***	***KPI CapEx-based weighted (A*C)***
Banking activities of Belfius Bank	2,398	76.36%	0.12%	0.15%	0.10%	0.12%
Asset management activities of Belfius Bank	109	3.69%	0.01%	0.16%	0.00%	0.01%
Asset management activities of Belfius Asset Management	56	1.90%	0.92%	1.26%	0.02%	0.02%
Investments activities of Belfius Insurance	480	15.29%	0.82%	1.24%	0.13%	0.19%
Non-life insurance activities of Belfius insurance*	97	3.09%	0.00%		0.00%	
Total	3,140	100.00%	1.87%	2.81%	0.23%	0.33%
Average KPI of Belfius					**0.23%**	**0.33%**

*Note: the underwriting KPI for non-life insurance and reinsurance is not Turnover or CapEx-based.

5.2.1. Belfius as a credit institution

Annex VI & Annex XII of the Disclosure Delegated Act

Contextual information

The following tables present **Belfius Bank's mandatory disclosures**, namely its Green Asset Ratio (GAR), as well as its KPI on off-balance sheet exposures.

Reporting is done following the guidelines provided in Annex V and according to the mandatory templates in Annex VI of the Disclosure Delegated Act for credit institutions. For nuclear and fossil gas-related activities, information is presented following the templates in Annex XII of the Disclosure Delegated Act, based on Belfius Bank's KPI as a credit institution.

Scope of assets and activities

The EU Taxonomy disclosures are based on Belfius Bank's scope of prudential consolidation determined in accordance with Regulation (EU) No 575/2013, Title II, Chapter 2, Section 2.

The calculation of the GAR (on-balance sheet exposures) covers the accounting categories of financial assets listed in the Disclosure Delegated Act, including loans and advances, debt securities, equity instruments and repossessed collaterals. Off-balance sheet exposures cover financial guarantees and assets under management.

The total assets in Annex VI templates are computed based on the gross carrying amount of assets reported under FINREP. However, FINREP templates are designed on the basis of the financial instruments accounting categories and not by applying the prudential concepts of banking and trading book. Given this difference, there might be differences when comparing the respective total amount of assets under FINREP and under Annex VI templates.

Regarding the KPI on assets under management, since these exposures of Belfius Asset Management are reported in the specific template for asset managers (Annex IV of the Disclosure Delegated Act), they are not included in this KPI to avoid double counting.

Data sources and limitation

Flow

Regarding the summary of the GAR on flow, specifically the percentage of coverage, Belfius does not provide this information in Table 0. This is because Belfius is unable to identify new exposures to central governments, supranational issuers and central banks, which should be excluded from the total assets on the balance sheet to accurately calculate the percentage of assets covered by the KPI. As a result, Belfius ends up with a coverage of 100%, which does not reflect reality, as it suggests that all new exposures in 2024 are to counterparties covered by the GAR.

T-1 figures

The "T-1" figures refer to those reported in the Pillar III ESG disclosures as of 31 December 2023, rather than those published in the 2023 Sustainability Report. This choice was made to reflect minor calculation adjustments made after the initial publication. Using the Pillar III ESG figures aims to ensure consistency and comparability with this year's figures.

Mortgages

The largest share of activities identified with known use of proceeds is related to residential real estate activities. Proving alignment with the EU Taxonomy's technical screening criteria is difficult, as the DNSH requirements are still too complex to prove and document. Belfius attempted to develop an internal methodology to assess physical risks for the DNSH to the climate change adaptation objective for mortgage loans. It is not currently possible however to verify all of the physical risks. As it is not yet possible to do so, Belfius Bank does not consider any of its mortgage loans as aligned with the EU Taxonomy as part of its commitment to ensuring that – and as required by the EU Taxonomy rules – to classify an economic activity as environmentally sustainable, all technical screening criteria must be met and proved.

Local governments

No exposure to eligible activities towards local governments is identified. This can be explained by the fact that social housing is financed by the Regions in Belgium, which are not considered to be local governments according to the National Bank of Belgium. In addition, for the time being, no local government is able to provide all necessary evidence of the alignment of their project to the sustainability criteria laid down in the EU Taxonomy.

GAR sector information

The GAR sector information is limited to the main activity of Belfius' counterparties and is exclusively based on the NACE codes for which Belfius has eligible exposures. It is not uncommon for these codes to be erroneous or inaccurate, affecting the reliability of the reporting.

Belfius interprets the *"[Gross] carrying amount"* column as corresponding to the eligibility, as this data is required for the alignment, and this column is below each relevant objective.

Mandatory templates for credit institutions

(amounts in millions of euros)

Table 0 – Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets (in millions of EUR)	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	358.94	0.12%	0.15%	78.59%	41.31%	21.41%

		Total environmentally sustainable activities (in millions of EUR)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	31.64	0.08%	0.09%			
	Trading book*						
	Financial guarantees	84.70	6.80%	12.30%			
	Assets under management	170.17	0.01%	0.16%			
	Fees and commissions income**						

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
**Fees and commissions income from services other than lending and AuM
*** % of assets covered by the KPI over banks´ total assets
****based on the Turnover KPI of the counterparty
*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Table 1 – Assets for the calculation of the GAR

			Disclosure reference date: December 2024												
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	(in millions of EUR)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64,405.42	43,488.31	159.66	0.00	6.32	126.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	**Financial undertakings**	5,205.57	22.77	2.81	0.00	0.00	2.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	3,712.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	1,457.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	2,214.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	40.54	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
7	Other financial corporations	1,492.64	22.77	2.81	0.00	0.00	2.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	1,402.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	1,243.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	159.22	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	**Non-financial undertakings**	1,199.79	237.64	156.84	0.00	6.32	123.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	951.31	108.27	87.87	0.00	1.03	85.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	248.49	129.37	68.98	0.00	5.28	38.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
24	**Households**	44,159.60	43,227.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
25	of which loans collateralised by residential immovable property	42,805.38	42,805.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
26	of which building renovation loans	325.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
27	of which motor vehicle loans	1,028.58	422.53	0.00	0.00	0.00	0.00	0.00				0.00			
28	**Local governments financing**	13,840.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	71,363.38													
33	**Financial and Non-financial undertakings**	57,519.29													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	48,438.41													
35	Loans and advances	45,448.15													
36	of which loans collateralised by commercial immovable	18,464.78													
37	of which building renovation loans	0.00													
38	Debt securities	2,977.28													
39	Equity instruments	12.98													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9,080.88													
41	Loans and advances	6,027.07													
42	Debt securities	2,864.29													
43	Equity instruments	189.52													
44	**Derivatives**	860.74													
45	**On demand interbank loans**	3,006.67													
46	**Cash and cash-related assets**	211.43													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	9,765.26													
48	**TOTAL GAR ASSETS**	135,768.80	43,488.31	159.66	0.00	6.32	126.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation	36,978.33													
50	**Central governments and Supranational issuers**	9,859.65													
51	**Central banks exposure**	22,048.18													
52	**Trading book**	5,070.50													
53	TOTAL ASSETS	172,747.13	43,488.31	159.66	0.00	6.32	126.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	443.48	61.75	30.16	0.00	0.00	11.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	99,793.72	41.40	12.67	0.00	0.16	12.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	44,726.98	4.08	0.17	0.00	0.05	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	55,066.74	37.32	12.50	0.00	0.11	12.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	(in millions of EUR)	Disclosure reference date: December 2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	**Financial undertakings**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
7	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	**Non-financial undertakings**	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	0.07	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
24	**Households**	0.00	0.00	0.00	0.00	0.00				0.00			
25	of which loans collateralised by residential immovable property	0.00	0.00	0.00	0.00	0.00				0.00			
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00				0.00			
27	of which motor vehicle loans	0.00				0.00				0.00			
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	**Derivatives**												
45	**On demand interbank loans**												
46	**Cash and cash-related assets**												
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**												
48	TOTAL GAR ASSETS	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation												
50	**Central governments and Supranational issuers**												
51	**Central banks exposure**												
52	**Trading book**												
53	**TOTAL ASSETS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations													
54	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	29.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00
56	Of which debt securities	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00
57	Of which equity instruments	28.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(in millions of EUR)		Disclosure reference date: December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43,488.38	159.66	0.00	6.32	126.47
2	**Financial undertakings**	22.77	2.81	0.00	0.00	2.81
3	Credit institutions	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00
7	Other financial corporations	22.77	2.81	0.00	0.00	2.81
8	of which investment firms	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00
20	**Non-financial undertakings**	237.71	156.84	0.00	6.32	123.66
21	Loans and advances	108.27	87.87	0.00	1.03	85.52
22	Debt securities, including UoP	129.44	68.98	0.00	5.28	38.15
23	Equity instruments	0.00	0.00		0.00	0.00
24	**Households**	43,227.91	0.00	0.00	0.00	0.00
25	of which loans collateralised by residential immovable property	42,805.38	0.00	0.00	0.00	0.00
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	422.53	0.00	0.00	0.00	0.00
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	TOTAL GAR ASSETS	43,488.38	159.66	0.00	6.32	126.47
49	Assets not covered for GAR calculation					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**TOTAL ASSETS**	43,488.38	159.66	0.00	6.32	126.47
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	61.75	30.16	0.00	0.00	11.77
55	Assets under management	70.49	12.67	0.00	0.16	111.75
56	Of which debt securities	4.33	0.17	0.00	0.05	4.69
57	Of which equity instruments	66.16	12.50	0.00	0.11	12.06

	(in millions of EUR)	Total [gross] carrying amount	Disclosure reference date: December 2023												
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	61,334.71	41,434.03	144.14	9.98	0.07	131.93	187.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	**Financial undertakings**	4,434.03	32.69	12.30	9.98	0.00	2.32	22.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	3,069.84	9.98	9.98	9.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	1,328.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	1,710.70	9.98	9.98	9.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	31.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
7	Other financial corporations	1,364.19	22.71	2.32	0.00	0.00	2.32	22.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	1,277.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	1,215.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	62.44	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	**Non-financial undertakings**	689.24	165.97	131.84	0.00	0.07	129.62	165.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	608.43	143.48	129.89	0.00	0.00	129.24	142.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	80.81	22.49	1.95	0.00	0.07	0.38	22.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
24	**Households**	42,518.82	41,235.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
25	of which loans collateralised by residential immovable property	41,235.37	41,235.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
26	of which building renovation loans	322.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
27	of which motor vehicle loans	960.53	0.00	0.00	0.00	0.00	0.00	0.00				0.00			
28	**Local governments financing**	13,692.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	69,469.08													
33	**Financial and Non-financial undertakings**	44,916.69													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	43,079.21													
35	Loans and advances	42,861.91													
36	of which loans collateralised by commercial immovable	17,940.03													
37	of which building renovation loans	0.00													
38	Debt securities	210.14													
39	Equity instruments	7.15													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,837.48													
41	Loans and advances	230.21													
42	Debt securities	1,607.28													
43	Equity instruments	0.00													
44	**Derivatives**	751.13													
45	**On demand interbank loans**	3,596.65													
46	**Cash and cash-related assets**	258.63													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	19,945.98													
48	**TOTAL GAR ASSETS**	130,803.78	41,434.03	144.14	9.98	0.07	131.93	187.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation	34,529.05													
50	**Central governments and Supranational issuers**	9,236.66													
51	**Central banks exposure**	20,228.54													
52	**Trading book**	5,063.85													
53	TOTAL ASSETS	165,332.83	41,434.03	144.14	9.98	0.07	131.93	187.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	308.52	31.42	11.99	0.00	0.00	0.00	19.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	130,712.35	2,959.78	1,371.97	0.00	25.57	721.85	2,687.72	0.12	0.00	0.04	0.00	0.00	0.00	0.00
56	Of which debt securities	61,648.12	1,121.29	536.25	0.00	8.41	290.92	1,111.73	0.12	0.00	0.04	0.00	0.00	0.00	0.00
57	Of which equity instruments	69,064.23	1,640.51	637.97	0.00	17.16	430.93	1,575.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00

		Disclosure reference date: December 2023											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	(in millions of EUR)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	**Financial undertakings**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
7	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	**Non-financial undertakings**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
24	**Households**	0.00	0.00	0.00	0.00	0.00				0.00			
25	of which loans collateralised by residential immovable property	0.00	0.00	0.00	0.00	0.00				0.00			
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00				0.00			
27	of which motor vehicle loans	0.00				0.00				0.00			
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	**Derivatives**												
45	**On demand interbank loans**												
46	**Cash and cash-related assets**												
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**												
48	**TOTAL GAR ASSETS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation												
50	**Central governments and Supranational issuers**												
51	**Central banks exposure**												
52	**Trading book**												
53	**TOTAL ASSETS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations												
54	Financial guarantees	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(in millions of EUR)		Disclosure reference date: December 2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	41,621.94	144.14	9.98	0.07	131.93
2	**Financial undertakings**	55.40	12.30	9.98	0.00	2.32
3	Credit institutions	9.98	9.98	9.98	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	9.98	9.98	9.98	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00
7	Other financial corporations	45.42	2.32	0.00	0.00	2.32
8	of which investment firms	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00
20	**Non-financial undertakings**	331.16	131.84	0.00	0.07	129.62
21	Loans and advances	286.18	129.89	0.00	0.00	129.24
22	Debt securities, including UoP	44.99	1.95	0.00	0.07	0.38
23	Equity instruments	0.00	0.00		0.00	0.00
24	**Households**	41,235.37	0.00	0.00	0.00	0.00
25	of which loans collateralised by residential immovable property	41,235.37	0.00	0.00	0.00	0.00
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	0.00	0.00	0.00	0.00	0.00
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	TOTAL GAR ASSETS	41,621.94	144.14	9.98	0.07	131.93
49	Assets not covered for GAR calculation					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**TOTAL ASSETS**	41,621.94	144.14	9.98	0.07	131.93
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	51.35	11.99	0.00	0.00	0.00
55	Assets under management	5,647.51	1,372.09	0.00	25.61	6,369.36
56	Of which debt securities	2,233.02	536.37	0.00	8.45	2,523.94
57	Of which equity instruments	3,216.50	637.97	0.00	17.16	430.93

(in millions of EUR)	Total [gross] carrying amount	Disclosure reference date: December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator														
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64,405.42	43,606.34	197.53	0.00	18.52	123.49	44.25	1.75	0.00	0.00	0.00	0.00	0.00	0.00
2 **Financial undertakings**	5,205.57	24.59	8.07	0.00	0.00	8.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Credit institutions	3,712.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Loans and advances	1,457.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Debt securities, including UoP	2,214.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Equity instruments	40.54	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
7 Other financial corporations	1,492.64	24.59	8.07	0.00	0.00	8.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
12 of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
16 of which insurance undertakings	1,402.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Loans and advances	1,243.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Equity instruments	159.22	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
20 **Non-financial undertakings**	1,199.79	353.84	189.46	0.00	18.52	115.43	44.25	1.75	0.00	0.00	0.00	0.00	0.00	0.00
21 Loans and advances	951.31	194.71	97.01	0.00	10.23	71.37	35.65	0.92	0.00	0.00	0.00	0.00	0.00	0.00
22 Debt securities, including UoP	248.49	159.13	92.45	0.00	8.29	44.06	8.60	0.84	0.00	0.00	0.00	0.00	0.00	0.00
23 Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
24 **Households**	44,159.60	43,227.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
25 of which loans collateralised by residential immovable property	42,805.38	42,805.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
26 of which building renovation loans	325.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
27 of which motor vehicle loans	1,028.58	422.53	0.00	0.00	0.00	0.00					0.00			
28 **Local governments financing**	13,840.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29 Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30 Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31 **Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	71,363.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**	57,519.29													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	48,438.41													
35	Loans and advances	45,448.15													
36	of which loans collateralised by commercial immovable	18,464.78													
37	of which building renovation loans	0.00													
38	Debt securities	2,977.28													
39	Equity instruments	12.98													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9,080.88													
41	Loans and advances	6,027.07													
42	Debt securities	2,864.29													
43	Equity instruments	189.52													
44	**Derivatives**	860.74													
45	**On demand interbank loans**	3,006.67													
46	**Cash and cash-related assets**	211.43													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	9,765.26													
48	**TOTAL GAR ASSETS**	135,768.80	43,606.34	197.53	0.00	18.52	123.49	44.25	1.75	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation	36,978.33													
50	**Central governments and Supranational issuers**	9,859.65													
51	**Central banks exposure**	22,048.18													
52	**Trading book**	5,070.50													
53	TOTAL ASSETS	172,747.13	43,606.34	197.53	0.00	18.52	123.49	44.25	1.75	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	443.48	74.40	54.53	0.00	0.00	1.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	99,793.72	281.27	157.50	0.00	0.70	5.89	18.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	44,726.98	155.51	92.11	0.00	0.45	0.36	5.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	55,066.74	125.76	65.39	0.00	0.24	5.53	12.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00

		Disclosure reference date: December 2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	(in millions of EUR)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	**Financial undertakings**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
7	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	**Non-financial undertakings**	2.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
24	**Households**	0.00	0.00	0.00	0.00	0.00				0.00			
25	of which loans collateralised by residential immovable property	0.00	0.00	0.00	0.00	0.00				0.00			
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00				0.00			
27	of which motor vehicle loans	0.00				0.00				0.00			
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	**Derivatives**												
45	**On demand interbank loans**												
46	**Cash and cash-related assets**												
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**												
48	**TOTAL GAR ASSETS**	2.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation												
50	**Central governments and Supranational issuers**												
51	**Central banks exposure**												
52	**Trading book**												
53	**TOTAL ASSETS**	2.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations													
54	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	32.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	32.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(in millions of EUR)		Disclosure reference date T: December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43,652.92	199.28	0.00	18.52	123.49
2	**Financial undertakings**	24.59	8.07	0.00	0.00	8.07
3	Credit institutions	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00
7	Other financial corporations	24.59	8.07	0.00	0.00	8.07
8	of which investment firms	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00
20	**Non-financial undertakings**	400.43	191.22	0.00	18.52	115.43
21	Loans and advances	232.69	97.93	0.00	10.23	71.37
22	Debt securities, including UoP	167.74	93.29	0.00	8.29	44.06
23	Equity instruments	0.00	0.00		0.00	0.00
24	**Households**	43,227.91	0.00	0.00	0.00	0.00
25	of which loans collateralised by residential immovable property	42,805.38	0.00	0.00	0.00	0.00
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	422.53	0.00	0.00	0.00	0.00
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00

32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00
33 **Financial and Non-financial undertakings**					
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35 Loans and advances					
36 of which loans collateralised by commercial immovable					
37 of which building renovation loans					
38 Debt securities					
39 Equity instruments					
40 Non-EU country counterparties not subject to NFRD disclosure obligations					
41 Loans and advances					
42 Debt securities					
43 Equity instruments					
44 **Derivatives**					
45 **On demand interbank loans**					
46 **Cash and cash-related assets**					
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**					
48 TOTAL GAR ASSETS	43,652.92	199.28	0.00	18.52	123.49
49 Assets not covered for GAR calculation					
50 **Central governments and Supranational issuers**					
51 **Central banks exposure**					
52 **Trading book**					
53 **TOTAL ASSETS**	43,652.92	199.28	0.00	18.52	123.49
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations					
54 Financial guarantees	74.40	54.53	0.00	0.00	1.21
55 Assets under management	332.38	157.50	0.00	0.70	5.89
56 Of which debt securities	161.02	92.11	0.00	0.45	0.36
57 Of which equity instruments	171.36	65.39	0.00	0.24	5.53

	(in millions of EUR)	Total [gross] carrying amount	Disclosure reference date: December 2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	61,334.71	41,454.15	159.56	9.98	0.03	136.92	208.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	**Financial undertakings**	4,434.03	34.54	18.49	9.98	0.00	8.38	24.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	Credit institutions	3,069.84	9.98	9.98	9.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Loans and advances	1,328.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5	Debt securities, including UoP	1,710.70	9.98	9.98	9.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6	Equity instruments	31.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	
7	Other financial corporations	1,364.19	24.56	8.51	0.00	0.00	8.38	24.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	
16	of which insurance undertakings	1,277.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
17	Loans and advances	1,215.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
19	Equity instruments	62.44	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	
20	**Non-financial undertakings**	689.24	184.24	141.07	0.00	0.03	128.54	184.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Loans and advances	608.43	144.44	128.57	0.00	0.00	127.16	144.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
22	Debt securities, including UoP	80.81	39.80	12.51	0.00	0.03	1.37	39.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
23	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	
24	**Households**	42,518.82	41,235.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
25	of which loans collateralised by residential immovable property	41,235.37	41,235.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
26	of which building renovation loans	322.92	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00				
27	of which motor vehicle loans	960.53	0.00	0.00	0.00	0.00	0.00					0.00				
28	**Local governments financing**	13,692.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	69,469.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**	44,916.69													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	43,079.21													
35	Loans and advances	42,861.91													
36	of which loans collateralised by commercial immovable	17,940.03													
37	of which building renovation loans	0.00													
38	Debt securities	210.14													
39	Equity instruments	7.15													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,837.48													
41	Loans and advances	230.21													
42	Debt securities	1,607.28													
43	Equity instruments	0.00													
44	**Derivatives**	751.13													
45	**On demand interbank loans**	3,596.65													
46	**Cash and cash-related assets**	258.63													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	19,945.98													
48	**TOTAL GAR ASSETS**	130,803.78	41,454.15	159.56	9.98	0.03	136.92	208.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation	34,529.05													
50	**Central governments and Supranational issuers**	9,236.66													
51	**Central banks exposure**	20,228.54													
52	**Trading book**	5,063.85													
53	TOTAL ASSETS	165,332.83	41,454.15	159.56	9.98	0.03	136.92	208.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	308.52	13.26	5.32	0.00	0.00	0.00	8.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	130,712.35	4,100.41	1,590.30	0.00	45.98	743.84	3,942.21	0.11	0.00	0.47	0.00	0.00	0.00	0.00
56	Of which debt securities	61,648.12	1,476.69	583.52	0.00	16.45	237.54	1,451.72	0.11	0.00	0.07	0.00	0.00	0.00	0.00
57	Of which equity instruments	69,064.23	2,587.36	893.38	0.00	29.53	506.31	2,490.49	0.00	0.00	0.40	0.00	0.00	0.00	0.00

		Disclosure reference date: December 2023											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	(in millions of EUR)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	**Financial undertakings**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Credit institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
7	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
20	**Non-financial undertakings**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00
24	**Households**	0.00	0.00	0.00	0.00	0.00				0.00			
25	of which loans collateralised by residential immovable property	0.00	0.00	0.00	0.00	0.00				0.00			
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00				0.00			
27	of which motor vehicle loans	0.00				0.00				0.00			
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations												
35	Loans and advances												
36	of which loans collateralised by commercial immovable												
37	of which building renovation loans												
38	Debt securities												
39	Equity instruments												
40	Non-EU country counterparties not subject to NFRD disclosure obligations												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	**Derivatives**												
45	**On demand interbank loans**												
46	**Cash and cash-related assets**												
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**												
48	TOTAL GAR ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Assets not covered for GAR calculation												
50	**Central governments and Supranational issuers**												
51	**Central banks exposure**												
52	**Trading book**												
53	**TOTAL ASSETS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations													
54	Financial guarantees	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Assets under management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Of which debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	(in millions of EUR)	Disclosure reference date: December 2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	41,662.94	159.56	9.98	0.03	136.92
2	**Financial undertakings**	59.10	18.49	9.98	0.00	8.38
3	Credit institutions	9.98	9.98	9.98	0.00	0.00
4	Loans and advances	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	9.98	9.98	9.98	0.00	0.00
6	Equity instruments	0.00	0.00		0.00	0.00
7	Other financial corporations	49.12	8.51	0.00	0.00	8.38
8	of which investment firms	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00
12	of which management companies	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00
16	of which insurance undertakings	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00
20	**Non-financial undertakings**	368.47	141.07	0.00	0.03	128.54
21	Loans and advances	288.87	128.57	0.00	0.00	127.16
22	Debt securities, including UoP	79.60	12.51	0.00	0.03	1.37
23	Equity instruments	0.00	0.00		0.00	0.00
24	**Households**	41,235.37	0.00	0.00	0.00	0.00
25	of which loans collateralised by residential immovable property	41,235.37	0.00	0.00	0.00	0.00
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	0.00	0.00	0.00	0.00	0.00
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.00	0.00	0.00	0.00	0.00
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**TOTAL GAR ASSETS**	41,662.94	159.56	9.98	0.03	136.92
49	Assets not covered for GAR calculation					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**TOTAL ASSETS**	41,662.94	159.56	9.98	0.03	136.92
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	21.78	5.32	0.00	0.00	0.00
55	Assets under management	8,042.62	1,590.41	0.00	45.98	744.31
56	Of which debt securities	2,928.41	583.63	0.00	16.45	237.60
57	Of which equity instruments	5,077.85	893.38	0.00	29.53	506.71

Table 2 – GAR sector information

	Breakdown by sector - NACE 4 digits level (code and label) in millions of EUR	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)
1	C20.5.9 - Manufacture of other chemical products n.e.c.	9.18	0.10			0.00	0.00			0.00	0.00		
2	C23.1.9 - Manufacture and processing of other glass, including technical glassware	0.30	0.29			0.00	0.00			0.00	0.00		
3	C27.1.1 - Manufacture of electric motors, generators and transformers	24.27	15.49			0.00	0.00			0.00	0.00		
4	C27.9.0 - Manufacture of other electrical equipment	3.56	1.80			0.00	0.00			0.00	0.00		
5	D35.1.1 - Production of electricity	5.88	2.13			0.00	0.00			0.00	0.00		
6	D35.1.2 - Transmission of electricity	19.85	19.51			0.00	0.00			0.00	0.00		
7	D35.1.3 - Distribution of electricity	17.73	17.73			0.00	0.00			0.00	0.00		
8	F42.2.2 - Construction of utility projects for electricity and telecommunications	70.65	70.51			0.00	0.00			0.00	0.00		
9	F42.9.1 - Construction of water projects	0.00	0.00			0.00	0.00			0.00	0.00		
10	G47.1.1 - Retail sale in non-specialised stores with food predominating	0.23	0.02			0.00	0.00			0.00	0.00		
11	H53.1.0 - Postal activities under universal service obligation	59.25	21.13			0.00	0.00			0.00	0.00		
12	J58.2.9 - Other software publishing	10.09	5.01			0.00	0.00			0.00	0.00		
13	K64.2.0 - Activities of holding companies	1.03	0.05			0.00	0.00			0.00	0.00		
14	L68.2.0 - Renting and operating of own or leased real estate	15.53	3.09			0.00	0.00			0.00	0.00		
15	R93.2.9 - Other amusement and recreation activities	0.08				0.00	0.00			0.00	0.00		

	Breakdown by sector - NACE 4 digits level (code and label) in millions of EUR	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
1	C20.5.9 - Manufacture of other chemical products n.e.c.	0.00	0.00			0.00	0.00			0.00	0.00		
2	C23.1.9 - Manufacture and processing of other glass, including technical glassware	0.00	0.00			0.00	0.00			0.00	0.00		
3	C27.1.1 - Manufacture of electric motors, generators and transformers	0.00	0.00			0.00	0.00			0.00	0.00		
4	C27.9.0 - Manufacture of other electrical equipment	0.00	0.00			0.00	0.00			0.00	0.00		
5	D35.1.1 - Production of electricity	0.00	0.00			0.00	0.00			0.00	0.00		
6	D35.1.2 - Transmission of electricity	0.00	0.00			0.00	0.00			0.00	0.00		
7	D35.1.3 - Distribution of electricity	0.00	0.00			0.00	0.00			0.00	0.00		
8	F42.2.2 - Construction of utility projects for electricity and telecommunications	0.00	0.00			0.00	0.00			0.00	0.00		
9	F42.9.1 - Construction of water projects	0.00	0.00			0.00	0.00			0.00	0.00		
10	G47.1.1 - Retail sale in non-specialised stores with food predominating	0.00	0.00			0.00	0.00			0.00	0.00		
11	H53.1.0 - Postal activities under universal service obligation	0.00	0.00			0.00	0.00			0.00	0.00		
12	J58.2.9 - Other software publishing	0.00	0.00			0.00	0.00			0.00	0.00		
13	K64.2.0 - Activities of holding companies	0.00	0.00			0.00	0.00			0.00	0.00		
14	L68.2.0 - Renting and operating of own or leased real estate	0.00	0.00			0.00	0.00			0.00	0.00		
15	R93.2.9 - Other amusement and recreation activities	0.00	0.00			0.00	0.00			0.00	0.00		

	Breakdown by sector - NACE 4 digits level (code and label) in millions of EUR	TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	C20.5.9 - Manufacture of other chemical products n.e.c.	9.18	0.10		
2	C23.1.9 - Manufacture and processing of other glass, including technical glassware	0.30	0.29		
3	C27.1.1 - Manufacture of electric motors, generators and transformers	24.27	15.49		
4	C27.9.0 - Manufacture of other electrical equipment	3.56	1.80		
5	D35.1.1 - Production of electricity	5.88	2.13		
6	D35.1.2 - Transmission of electricity	19.85	19.51		
7	D35.1.3 - Distribution of electricity	17.73	17.73		
8	F42.2.2 - Construction of utility projects for electricity and telecommunications	70.65	70.51		
9	F42.9.1 - Construction of water projects	0.00	0.00		
10	G47.1.1 - Retail sale in non-specialised stores with food predominating	0.23	0.02		
11	H53.1.0 - Postal activities under universal service obligation	59.25	21.13		
12	J58.2.9 - Other software publishing	10.09	5.01		
13	K64.2.0 - Activities of holding companies	1.03	0.05		
14	L68.2.0 - Renting and operating of own or leased real estate	15.53	3.09		
15	R93.2.9 - Other amusement and recreation activities	0.08			

	Breakdown by sector - NACE 4 digits level (code and label) in millions of EUR	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
1	C15.1.2 - Manufacture of luggage, handbags and the like, saddlery and harness	5.86	0.52			0.00	0.00			0.00	0.00		
2	C20.4.2 - Manufacture of perfumes and toilet preparations	6.69	1.45			0.00	0.00			0.00	0.00		
3	C20.5.9 - Manufacture of other chemical products n.e.c.	13.83	0.32			0.00	0.00			0.00	0.00		
4	C23.1.9 - Manufacture and processing of other glass, including technical glassware	0.41	0.37			0.00	0.00			0.00	0.00		
5	C26.6.0 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	1.59	0.43			0.00	0.00			0.00	0.00		
6	C27.1.1 - Manufacture of electric motors, generators and transformers	12.47	4.71			12.47	0.00			0.00	0.00		
7	C27.9.0 - Manufacture of other electrical equipment	4.00	0.44			0.00	0.00			0.00	0.00		
8	D35.1.1 - Production of electricity	11.89	11.14			0.00	0.00			0.00	0.00		
9	D35.1.2 - Transmission of electricity	19.95	19.95			0.00	0.00			0.00	0.00		
10	D35.1.3 - Distribution of electricity	62.01	36.82			24.48	0.00			0.00	0.00		
11	F42.2.2 - Construction of utility projects for electricity and telecommunications	70.65	70.64			3.04	0.00			0.00	0.00		
12	F42.9.1 - Construction of water projects	0.00	0.00			0.00	0.00			0.00	0.00		
13	G47.1.1 - Retail sale in non-specialised stores with food predominating	28.88	7.42			0.00	0.00			0.00	0.00		
14	H53.1.0 - Postal activities under universal service obligation	54.12	26.99			0.84	0.84			0.00	0.00		
15	J58.2.9 - Other software publishing	11.42	3.27			0.00	0.00			0.00	0.00		
16	K64.2.F - Portfolio companies	0.00	0.00			0.00	0.00			0.00	0.00		
17	K64.2.0 - Activities of holding companies	34.62	0.65			0.00	0.00			0.00	0.00		
18	L68.2.0 - Renting and operating of own or leased real estate	14.80	4.32			0.00	0.00			0.00	0.00		
19	M72.1.9 - Other research and experimental development on natural sciences and engineering	0.02	0.00			0.00	0.00			0.00	0.00		
20	Q87.3.0 - Residential care activities for the elderly and disabled	0.53	0.00			3.42	0.86			0.00	0.00		
21	R93.2.9 - Other amusement and recreation activities	0.08	0.00			0.00	0.00			0.00	0.00		

	Breakdown by sector - NACE 4 digits level (code and label) in millions of EUR	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)
1	C15.1.2 - Manufacture of luggage, handbags and the like, saddlery and harness	0.00	0.00			0.00	0.00			0.00	0.00		
2	C20.4.2 - Manufacture of perfumes and toilet preparations	0.00	0.00			0.00	0.00			0.00	0.00		
3	C20.5.9 - Manufacture of other chemical products n.e.c.	0.00	0.00			0.00	0.00			0.00	0.00		
4	C23.1.9 - Manufacture and processing of other glass, including technical glassware	0.00	0.00			0.00	0.00			0.00	0.00		
5	C26.6.0 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	0.00	0.00			0.00	0.00			0.00	0.00		
6	C27.1.1 - Manufacture of electric motors, generators and transformers	0.00	0.00			0.00	0.00			0.00	0.00		
7	C27.9.0 - Manufacture of other electrical equipment	0.00	0.00			0.00	0.00			0.00	0.00		
8	D35.1.1 - Production of electricity	0.00	0.00			0.00	0.00			0.00	0.00		
9	D35.1.2 - Transmission of electricity	0.00	0.00			0.00	0.00			0.00	0.00		
10	D35.1.3 - Distribution of electricity	0.00	0.00			0.00	0.00			0.00	0.00		
11	F42.2.2 - Construction of utility projects for electricity and telecommunications	0.00	0.00			0.00	0.00			0.00	0.00		
12	F42.9.1 - Construction of water projects	0.00	0.00			0.00	0.00			0.00	0.00		
13	G47.1.1 - Retail sale in non-specialised stores with food predominating	0.00	0.00			0.00	0.00			0.00	0.00		
14	H53.1.0 - Postal activities under universal service obligation	0.00	0.00			0.00	0.00			0.00	0.00		
15	J58.2.9 - Other software publishing	0.00	0.00			0.00	0.00			0.00	0.00		
16	K64.2.F - Portfolio companies	0.00	0.00			0.00	0.00			0.00	0.00		
17	K64.2.0 - Activities of holding companies	0.00	0.00			0.00	0.00			0.00	0.00		
18	L68.2.0 - Renting and operating of own or leased real estate	0.00	0.00			0.00	0.00			0.00	0.00		
19	M72.1.9 - Other research and experimental development on natural sciences and engineering	0.00	0.00			0.00	0.00			0.00	0.00		
20	Q87.3.0 - Residential care activities for the elderly and disabled	0.00	0.00			0.00	0.00			0.00	0.00		
21	R93.2.9 - Other amusement and recreation activities	0.00	0.00			0.00	0.00			0.00	0.00		

	Breakdown by sector - NACE 4 digits level (code and label) in millions of EUR	TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	C15.1.2 - Manufacture of luggage, handbags and the like, saddlery and harness	5.86	0.52		
2	C20.4.2 - Manufacture of perfumes and toilet preparations	6.69	1.45		
3	C20.5.9 - Manufacture of other chemical products n.e.c.	13.83	0.32		
4	C23.1.9 - Manufacture and processing of other glass, including technical glassware	0.41	0.37		
5	C26.6.0 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	1.59	0.43		
6	C27.1.1 - Manufacture of electric motors, generators and transformers	24.95	4.71		
7	C27.9.0 - Manufacture of other electrical equipment	4.00	0.44		
8	D35.1.1 - Production of electricity	11.89	11.14		
9	D35.1.2 - Transmission of electricity	19.95	19.95		
10	D35.1.3 - Distribution of electricity	86.49	36.82		
11	F42.2.2 - Construction of utility projects for electricity and telecommunications	73.69	70.64		
12	F42.9.1 - Construction of water projects	0.00	0.00		
13	G47.1.1 - Retail sale in non-specialised stores with food predominating	28.88	7.42		
14	H53.1.0 - Postal activities under universal service obligation	54.96	27.83		
15	J58.2.9 - Other software publishing	11.42	3.27		
16	K64.2.F - Portfolio companies	0.00	0.00		
17	K64.2.0 - Activities of holding companies	34.62	0.65		
18	L68.2.0 - Renting and operating of own or leased real estate	14.80	4.32		
19	M72.1.9 - Other research and experimental development on natural sciences and engineering	0.02	0.00		
20	Q87.3.0 - Residential care activities for the elderly and disabled	3.95	0.86		
21	R93.2.9 - Other amusement and recreation activities	0.08	0.00		

Table 3 – GAR KPI stock

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.52%	0.25%	0.00%	0.01%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.44%	0.05%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		
7	Other financial corporations	1.53%	0.19%	0.00%	0.00%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		
20	**Non-financial undertakings**	19.81%	13.07%	0.00%	0.53%	10.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	11.38%	9.24%	0.00%	0.11%	8.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	52.06%	27.76%	0.00%	2.13%	15.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	97.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	41.08%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**32.03%**	**0.12%**	**0.00%**	**0.00%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%								
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans												
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.52%	0.25%	0.00%	0.01%	0.20%	37.28%
2	**Financial undertakings**	0.44%	0.05%	0.00%	0.00%	0.05%	3.01%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	2.15%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.84%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	1.28%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.02%
7	Other financial corporations	1.53%	0.19%	0.00%	0.00%	0.19%	0.86%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.09%
20	**Non-financial undertakings**	19.81%	13.07%	0.00%	0.53%	10.31%	0.69%
21	Loans and advances	11.38%	9.24%	0.00%	0.11%	8.99%	0.55%
22	Debt securities, including UoP	52.09%	27.76%	0.00%	2.13%	15.35%	0.14%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	97.89%	0.00%	0.00%	0.00%	0.00%	25.56%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	24.78%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
27	of which motor vehicle loans						
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	8.01%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**32.03%**	**0.12%**	**0.00%**	**0.00%**	**0.09%**	**78.59%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.55%	0.24%	0.02%	0.00%	0.22%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.74%	0.28%	0.23%	0.00%	0.05%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.33%	0.33%	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.58%	0.58%	0.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	1.66%	0.17%	0.00%	0.00%	0.17%	1.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	24.08%	19.13%	0.00%	0.01%	18.81%	23.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	23.58%	21.35%	0.00%	0.00%	21.24%	23.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	27.84%	2.41%	0.00%	0.09%	0.47%	27.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	96.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**31.68%**	**0.11%**	**0.01%**	**0.00%**	**0.10%**	**0.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

		Disclosure reference date: December 2023											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%								
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans												
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2023					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.86%	0.24%	0.02%	0.00%	0.22%	37.10%
2	**Financial undertakings**	1.25%	0.28%	0.23%	0.00%	0.05%	2.68%
3	Credit institutions	0.33%	0.33%	0.33%	0.00%	0.00%	1.86%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%
5	Debt securities, including UoP	0.58%	0.58%	0.58%	0.00%	0.00%	1.03%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.02%
7	Other financial corporations	3.33%	0.17%	0.00%	0.00%	0.17%	0.83%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.77%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.73%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.04%
20	**Non-financial undertakings**	48.05%	19.13%	0.00%	0.01%	18.81%	0.42%
21	Loans and advances	47.04%	21.35%	0.00%	0.00%	21.24%	0.37%
22	Debt securities, including UoP	55.67%	2.41%	0.00%	0.09%	0.47%	0.05%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	96.98%	0.00%	0.00%	0.00%	0.00%	25.72%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	24.94%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%
27	of which motor vehicle loans						
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	8.28%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**31.82%**	**0.11%**	**0.01%**	**0.00%**	**0.10%**	**79.12%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.71%	0.31%	0.00%	0.03%	0.19%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.47%	0.15%	0.00%	0.00%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	1.65%	0.54%	0.00%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	29.49%	15.79%	0.00%	1.54%	9.62%	3.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	20.47%	10.20%	0.00%	1.08%	7.50%	3.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	64.04%	37.21%	0.00%	3.34%	17.73%	3.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	97.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	41.08%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**32.12%**	**0.15%**	**0.00%**	**0.01%**	**0.09%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

		Disclosure reference date: December 2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%								
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans												
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.78%	0.31%	0.00%	0.03%	0.19%	37.28%
2	**Financial undertakings**	0.47%	0.15%	0.00%	0.00%	0.15%	3.01%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	2.15%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.84%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	1.28%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.02%
7	Other financial corporations	1.65%	0.54%	0.00%	0.00%	0.54%	0.86%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.09%
20	**Non-financial undertakings**	33.37%	15.94%	0.00%	1.54%	9.62%	0.69%
21	Loans and advances	24.46%	10.29%	0.00%	1.08%	7.50%	0.55%
22	Debt securities, including UoP	67.50%	37.54%	0.00%	3.34%	17.73%	0.14%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	97.89%	0.00%	0.00%	0.00%	0.00%	25.56%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	24.78%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
27	of which motor vehicle loans						0.60%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	8.01%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**32.15%**	**0.15%**	**0.00%**	**0.01%**	**0.09%**	**78.59%**

% (compared to total covered assets in the denominator)		Disclosure reference date: December 2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.59%	0.26%	0.02%	0.00%	0.22%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.78%	0.42%	0.23%	0.00%	0.19%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.33%	0.33%	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.58%	0.58%	0.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	1.80%	0.62%	0.00%	0.00%	0.61%	1.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	26.73%	20.47%	0.00%	0.00%	18.65%	26.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	23.74%	21.13%	0.00%	0.00%	20.90%	23.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	49.25%	15.48%	0.00%	0.04%	1.70%	49.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	96.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%		0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**31.69%**	**0.12%**	**0.01%**	**0.00%**	**0.10%**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2023											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	€ -	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	€ -	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%								
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans												
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total covered assets in the denominator)	Disclosure reference date: December 2023					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.93%	0.26%	0.02%	0.00%	0.22%	37.10%
2	**Financial undertakings**	1.33%	0.42%	0.23%	0.00%	0.19%	2.68%
3	Credit institutions	0.33%	0.33%	0.33%	0.00%	0.00%	1.86%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%
5	Debt securities, including UoP	0.58%	0.58%	0.58%	0.00%	0.00%	1.03%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.02%
7	Other financial corporations	3.60%	0.62%	0.00%	0.00%	0.61%	0.83%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.77%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.73%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.04%
20	**Non-financial undertakings**	53.46%	20.47%	0.00%	0.00%	18.65%	0.42%
21	Loans and advances	47.48%	21.13%	0.00%	0.00%	20.90%	0.37%
22	Debt securities, including UoP	98.50%	15.48%	0.00%	0.04%	1.70%	0.05%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	96.98%	0.00%	0.00%	0.00%	0.00%	25.72%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	24.94%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%
27	of which motor vehicle loans	€ -	€ -	€ -	€ -	€ -	0.58%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	8.28%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**31.85%**	**0.12%**	**0.01%**	**0.00%**	**0.10%**	**37.10%**

Table 4 – GAR KPI flow

		Disclosure reference date: December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53.82%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	6.29%	6.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	33.37%	33.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	98.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	96.15%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**22.39%**	**0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to flow of total eligible assets)	Disclosure reference date: December 2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%								
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans												
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to flow of total eligible assets)		Disclosure reference date: December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53.82%	0.20%	0.00%	0.00%	0.00%	41.60%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	10.59%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	5.81%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	2.80%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	3.01%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	4.78%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	4.49%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	3.97%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.53%
20	**Non-financial undertakings**	6.29%	6.29%	0.00%	0.00%	0.00%	1.30%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	1.05%
22	Debt securities, including UoP	33.37%	33.37%	0.00%	0.00%	0.00%	0.24%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	98.02%	0.00%	0.00%	0.00%	0.00%	22.76%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	20.21%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.37%
27	of which motor vehicle loans	96.15%	0.00%	0.00%	0.00%	0.00%	2.18%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	6.95%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**22.39%**	**0.08%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**

	% (compared to flow of total eligible assets)	Disclosure reference date: December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	54.32%	0.22%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	22.59%	7.03%	0.00%	0.00%	0.00%	0.64%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	15.39%	0.19%	0.00%	0.00%	0.00%	0.78%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	53.57%	36.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	98.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	96.15%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**22.60%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to flow of total eligible assets)	Disclosure reference date: December 2024											
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%								
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans												
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to flow of total eligible assets)		Disclosure reference date: December 2024					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	54.34%	0.22%	0.00%	0.00%	0.00%	41.60%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	10.59%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	5.81%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	2.80%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	3.01%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	4.78%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	4.49%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	3.97%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.53%
20	**Non-financial undertakings**	23.22%	7.19%	0.00%	0.00%	0.00%	1.30%
21	Loans and advances	16.18%	0.39%	0.00%	0.00%	0.00%	1.05%
22	Debt securities, including UoP	53.57%	36.47%	0.00%	0.00%	0.00%	0.24%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	98.02%	0.00%	0.00%	0.00%	0.00%	22.76%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	20.21%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.37%
27	of which motor vehicle loans	96.15%	0.00%	0.00%	0.00%	0.00%	2.18%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	6.95%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	**22.61%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**

Table 5 – KPI off-balance sheet exposures

% (compared to total eligible off-balance sheet assets)	Disclosure reference date: December 2024												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	13.92%	6.80%	0.00%	0.00%	2.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.04%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)	Disclosure reference date: December 2024											
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)	Disclosure reference date: December 2024 — TOTAL (CCM + CCA + WTR + CE + PPC + BIO) — Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	13.92%	6.80%	0.00%	0.00%	2.65%
2 Assets under management (AuM KPI)	0.07%	0.01%	0.00%	0.00%	0.11%

% (compared to total eligible off-balance sheet assets)	Disclosure reference date: December 2024												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	16.78%	12.30%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.28%	0.16%	0.00%	0.00%	0.01%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)	Disclosure reference date: December 2024											
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)		Disclosure reference date: December 2024				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	16.78%	12.30%	0.00%	0.00%	0.27%
2	Assets under management (AuM KPI)	0.33%	0.16%	0.00%	0.00%	0.01%

Mandatory templates for nuclear energy and fossil gas-related activities

Table 1 – Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Table 2 – Taxonomy-aligned economic activities (denominator)

Economic activities	TURNOVER Amount and proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.59	0.00%	0.59	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	159.07	0.12%	159.07	0.12%	0.00	0.00%	199.28	0.15%	197.53	0.15%	1.75	0.00%
Total applicable KPI	**159.66**	**0.12%**	**159.66**	**0.12%**	**0.00**	**0.00%**	**199.28**	**0.15%**	**197.53**	**0.15%**	**1.75**	**0.00%**

Table 3 – Taxonomy-aligned economic activities (numerator)

Economic activities	TURNOVER Amount and proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	(CCM+CCA)		Climate change mitigation		Climate change adaptation		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.59	0.37%	0.59	0.37%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	159.07	99.63%	159.07	99.63%	0.00	0.00%	199.28	100.00%	197.53	99.12%	1.75	0.88%
Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	**159.66**	**100.00%**	**159.66**	**100.00%**	**0.00**	**0.00%**	**199.28**	**100.00%**	**197.53**	**99.12%**	**1.75**	**0.88%**

Table 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities	TURNOVER Proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Proportion (the information is to be presented in monetary amounts and as percentages)					
	(CCM+CCA)		Climate change mitigation		Climate change adaptation		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.51	0.00%	3.51	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%

Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	41,618.43	30.65%	41,430.53	30.52%	187.90	0.14%	43,652.92	32.15%	43,606.34	32.12%	44.25	0.03%
Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	**41,621.94**	**30.66%**	**41,434.03**	**30.52%**	**187.90**	**0.14%**	**43,652.92**	**32.15%**	**43,606.34**	**32.12%**	**44.25**	**0.03%**

Table 5 – Taxonomy not eligible economic activities

	TURNOVER		CAPEX	
Economic activities	**Amount**	**Percentage**	**Amount**	**Percentage**
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-
Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’	-	-	-	-

5.2.2. Belfius as an insurance company

Annex X & Annex XII of the Disclosure Delegated Act

The following tables present the contribution of Belfius Insurance's underwriting portfolio to the objective of climate change adaptation and its investment portfolio to all environmental objectives of the EU Taxonomy.

Reporting is done following the guidelines provided in Annex IX and according to the mandatory templates in Annex X of the Disclosure Delegated Act for insurance and reinsurance undertakings. For nuclear and fossil gas-related activities, information is presented following the templates provided in Annex XII of the Disclosure Delegated Act, based on Belfius Insurance's KPI as an insurance and reinsurance company.

Contextual information

Scope of assets and activities

For the KPI related to underwriting activities, Belfius Insurance has only two insurance policies with terms related to the treatment of climate-related perils, namely (i) other motor insurance and (ii) fire and other damage to property insurance cover climate-related perils.

For the KPI related to investments, all Belfius Insurance's direct and indirect investments, including investments in collective investment undertakings and participations, loans and mortgages, as well as property are covered.

Data sources and limitation

KPI for underwriting activities (table 1)

Belfius Insurance applies a six-step approach for calculating its KPI for sustainable underwriting activities, as follows:

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
TOTAL VOLUME NON LIFE PREMIUMS As defined by EU legislation	**LOBS WITH CLIMATE-RELATED PERIL COVERAGE** Property and CASCO	**ELIGIBILITY** Portion of premium covering climate related perils	**SUBSTANTIAL CONTRIBUTION CRITERIA** Modeling, pricing, product design, data, service provision	**DO NO SIGNIFICANT HARM** No link with activities involving the extraction, storage, transport or production of fossil fuels or similar energy sources.	**MINIMUM SOCIAL SAFEGUARDS**

The first step is to calculate the total non-life Gross Written Premiums (GWP), i.e. the twelve Solvency II non-life Lines of Business (LOBs).

The second step is to determine LOBs covering climate-related perils. Only two LOBs within Belfius Insurance offer policies with terms related to the treatment of climate-related perils, namely (i) other motor insurance and (ii) fire and other damage to property insurance cover climate-related perils.

The third crucial step is to calculate the proportion of premiums eligible under the EU Taxonomy, i.e. the proportion of premiums directly related to the underwriting of climate-related perils. This calculation is performed at the level of climate-related perils. The proportion of premiums covering climate-related perils represents 12.13% of the overall amount of premiums at the consolidated level. It should be noted that in order to facilitate reporting during the first two financial years (FY) (FY 2021 and FY 2022), when a Line of Business was confirmed to cover climate-related perils, the full GWP for that line of business was reported as eligible. As from FY 2023, each line of business is reviewed in detail to calculate the correct and accurate proportion of premiums covering climate-related perils. The fourth, fifth and sixth steps relate to the assessment of the alignment with the EU Taxonomy.

Assessing the EU Taxonomy-alignment of Belfius Insurance's underwriting activities involves verifying whether a substantial contribution is made to the objective of climate change adaptation. The technical screening criteria for making a substantial contribution are structured into five distinct tiers: (i) leadership in modelling and pricing of climate risks, (ii) product design, (iii) innovative insurance coverage solutions, (iv) data sharing, and (v) high level of service in post-disaster situation.

Belfius Insurance adopts a nuanced approach that acknowledges the unique characteristics of each LOB and the specific nature of every climate-related peril. This strategy stems from the understanding that a singular, blanket solution is impractical, as the dynamics of Taxonomy alignment may vary significantly across different LOBs and risks.

Belfius Insurance is currently reporting 0% alignment, indicating that it has not yet met the criterion of having a forward-looking pricing model. Requirements regarding the explicit incorporation of forward-looking scenarios into pricing frameworks remain unclear and there is no current consensus at sector level on how to interpret the forward-looking criterion (one year forward-looking or above). Therefore, Belfius Insurance decided to take a cautious approach in its efforts to meet this criterion and awaits further guidance on interpretation, as well as whether additional actions are necessary.

The alignment to the EU Taxonomy also implies the verification of the DNSH and MSS conditions. The DNSH criteria is checked contract by contract to identify whether the corresponding activity of the policyholder cannot be considered as negatively impacting the environment i.e. the activity is related to the extraction, storage, transport or manufacture of fossil fuels or similar activities dedicated to such purposes. A limited number of contracts are considered in this context, leading to an impact on the premium volume lower than 0.06%. Further refinements of the methodology will be done as updated guidance/ rule leads us to fulfil the substantial contribution condition for at least a part of the portfolio

Concerning the MSS, as Belfius aims to Walk the Talk, the group has revised its Human Rights Policy and taken comprehensive measures to align with the latest interpretation of applying minimum social safeguards.

Investment KPI (Table 2)

The calculations rely on the disclosed proportion of Taxonomy eligible and aligned economic activities by investee undertakings reflecting their environmental performance, as captured through ESG data providers.

For life insurance contracts where the investment risk is borne by the policyholder (i.e., Branche 23 products), data was initially captured through European ESG Template (EET) files. However, these files were developed for SFDR compliance and do not include eligibility data. In the absence of eligibility data, Belfius decided not to use the EET files and report these products as 0% eligible and 0% aligned to avoid making estimates on eligibility. Belfius is currently exploring ways to obtain eligibility data for these products.

Mandatory templates for insurance and reinsurance undertakings

(amounts in millions of euros)

Table 1 – The underwriting of non-life insurance and reinsurance activities

	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
	Absolute permiums, year t (2)	Proportion of premiums, year t (3)	Proportion of premiums year t-1 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (9)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
Economic activities (1)	Mn EUR	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1 Non-life insurance and reinsurance underwrinting Taxonomy-aligned activities (environmentally sustainable)	**0.00**	**0.00%**	**0.00%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Property	0.00	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Casco	0.00	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
A.1.1 Of which reinsured	**0.00**	**0.00%**	**0.00%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Property	0.00	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Casco	0.00	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
A.1.2 Of which stemming from reinsurance activity	-	-	-	-	-	-	-	-	-
A.1.2.1 Of which reinsured (retrocession)	-	-	-	-	-	-	-	-	-
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**110.20**	**12.13%**	**10.52%**						
Property	103.95	11.44%	9.84%						
Casco	6.25	0.69%	0.68%						
A.2.1 Of which reinsured	**21.74**	**2.39%**	**2.27%**						
Property	20.29	2.23%	2.10%						
Casco	1.45	0.16%	0.17%						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**798.29**	**87.87%**	**89.48%**						
Total (A.1 + A.2 + B)	**908.49**	**100%**	**100%**						

Table 2 – The proportion of investments directed at funding or associated with Taxonomy-aligned economic activities in relation to total investments

The weighted average value of all the investments of insurance or reinsurance under1takings that are directed at funding, or are asso1ciated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in Turnover-based: 0.82% CapEx-based: 1.24%	The weighted average value of all the investments of insurance or reinsurance under1takings that are directed at funding, or are asso1ciated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: 113.01 CapEx-based: 171.48
The percentage of assets covered by the KPI relative to total investments of insurance or rein1surance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: 68.49%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: 13,854.28
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: 0.15%	The value in monetary amounts of derivatives: 20.11
The proportion of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 6.45% For financial undertakings: 10.13%	Value of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: 893.28 For financial undertakings: 1,403.45
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 2.56% For financial undertakings: 3.82%	Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: 355.10 For financial undertakings: 529.71
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 5.93% For financial undertakings: 4.00%	Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: 822.24 For financial undertakings: 554.70
The proportion of **exposures to other counterparties and assets over** total assets covered by the KPI: 34.14%	Value of **exposures to other counterparties and assets**: 4,729.99
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned 32.81%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: 4,545.70
The value of all the investments that are funding economic activities **that are not Taxonomy-eligible** relative to the value of total assets covered by Turnover-based: 69.58% CapEx-based: 68.56%	Value of all the investments that are funding **economic activities that are not Taxonomy-eligible:** Turnover-based: 9,639.30 CapEx-based: 9,497.93
The value of all the investments that are funding taxonomy-eligible economic activities, **but not taxonomy-aligned relative to the value of t**otal assets covered by the KPI:	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not taxonomy-aligned:**

Turnover-based: 29.61% CapEx-based: 30.21%	Turnover-based: 4,101.97 CapEx-based: 4,184.87	
Additional, complementary disclosures: breakdown of numerator of the KPI		
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.73% CapEx-based: 1.01% For financial undertakings: Turnover-based: 0.09% CapEx-based: 0.22%	Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: Turnover-based: 100.64 CapEx-based: 140.61 For financial undertakings: Turnover-based: 12.37 CapEx-based: 30.87	
The proportion of the insurance or reinsurance undertaking’s investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: 0.00% CapEx-based: 0.00%	Value of insurance or reinsurance undertaking’s investments other than investments held in respect of life insurance contracts w**here the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: 0 CapEx-based: 0	
The proportion of **taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI: Turnover-based: 0.00% CapEx-based: 0.00%	Value of **taxonomy-aligned exposures to other counterparties and assets**: Turnover-based: 0 CapEx-based: 0	
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities – provided ‘do-not-significant-harm’(DNSH) and social safeguards positive assessment:		
(1) Climate change mitigation	Turnover: 0.81% CapEx: 1.23%	Transitional activities: 0.00% Enabling activities: 0.03% Transitional activities: 0.59% Enabling activities: 0.67%
(2) Climate change adaptation	Turnover: 0.00%	Enabling activities: 0.00%

	CapEx: 0.00%	Enabling activities: 0.00%
(3) The sustainable use and protection of water and marine resources	Turnover: 0.00%	Enabling activities: 0.00%
	CapEx: 0.00%	Enabling activities: 0.00%
(4) The transition to a circular economy	Turnover: 0.00%	Enabling activities: 0.00%
	CapEx: 0.00%	Enabling activities: 0.00%
(5) Pollution prevention and control	Turnover: 0.00%	Enabling activities: 0.00%
	CapEx: 0.00%	Enabling activities: 0.00%
(6) The protection and restoration of biodiversity and ecosystems	Turnover: 0.00%	Enabling activities: 0.00%
	CapEx: 0.00%	Enabling activities: 0.00%

Mandatory templates for nuclear energy and fossil gas-related activities

(amounts in millions of euros)

Table 1 – Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Table 2 – Taxonomy-aligned economic activities (denominator)

Economic activities	TURNOVER Amount and proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.02	0.00%	0.02	0.00%	0.00	0.00%	0.21	0.00%	0.21	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%	0.03	0.00%	0.00	0.00%	0.01	0.00%	0.01	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	112.14	0.81%	112.10	0.81%	0.04	0.00%	170.23	1.23%	170.15	1.23%	0.08	0.00%
Total applicable KPI	**112.19**	**0.81%**	**112.15**	**0.81%**	**0.04**	**0.00%**	**170.45**	**1.23%**	**170.37**	**1.23%**	**0.08**	**0.00%**

Table 3 – Taxonomy-aligned economic activities (numerator)

Economic activities	TURNOVER Amount and proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	(CCM+CCA)		Climate change mitigation		Climate change adaptation		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.02	0.02%	0.02	0.02%	0.00	0.00%	0.21	0.13%	0.21	0.13%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.03	0.03%	0.03	0.03%	0.00	0.00%	0.01	0.01%	0.01	0.01%	0.00	0.00%
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	112.14	99.96%	112.10	99.92%	0.04	0.04%	170.23	99.87%	170.15	99.82%	0.08	0.05%
Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	**112.19**	**100.00%**	**112.15**	**99.96%**	**0.04**	**0.04%**	**170.45**	**100.00%**	**170.37**	**99.95%**	**0.08**	**0.05%**

Table 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities	TURNOVER Proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Proportion (the information is to be presented in monetary amounts and as percentages)					
	(CCM+CCA)		Climate change mitigation		Climate change adaptation		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.17	0.00%	0.17	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.44	0.00%	0.44	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.56	0.00%	0.56	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.02	0.00%	0.02	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,040.77	29.17%	4,036.77	29.14%	3.99	0.03%	4,134.64	29.84%	4,079.59	29.45%	55.05	0.40%
Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	**4,041.96**	**29.17%**	**4,037.96**	**29.15%**	**3.99**	**0.03%**	**4,134.64**	**29.84%**	**4,079.59**	**29.45%**	**55.05**	**0.40%**

Table 5 – Taxonomy not eligible economic activities

	TURNOVER		CAPEX	
Economic activities	Amount	Percentage	Amount	Percentage
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-
Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'	-	-	-	-

5.2.3. Belfius as an asset manager

Annex VI & Annex XII of the Disclosure Delegated Act

The following tables present **Belfius AM**'s investments that are directed at funding or are associated with Taxonomy-aligned economic activities.

Reporting is done following the guidelines provided in Annex III and according to the mandatory templates in Annex IV of the Disclosure Delegated Act for asset managers. For nuclear and fossil gas-related activities, information is presented following the templates provided in Annex XII of the Disclosure Delegated Act, based on Belfius AM's KPI as an asset manager.

Contextual information

Scope of assets and activities

The KPIs cover all assets under management resulting from both collective and individual portfolio management activities, including assets under active management, discretionary and advisory, as reported in financial statements.

Additionally, in line with the clarifications provided by the European Commission, assets for which portfolio management was delegated by Belfius AM to other financial undertakings to carry out such portfolio management on its behalf are included in the respective KPIs.

Data sources and limitation

Internal and external investment funds

For Belfius AM's **internal investment funds**, Belfius managed to capture both eligibility and alignment data based on the disclosed proportion of Taxonomy eligible and aligned economic activities by investee undertakings, as captured through ESG data providers.

However, for **external investment funds**, Belfius did not manage to capture the eligibility data. For these funds, last year Belfius relied on EET files which only contained alignment data. These files were developed for SFDR compliance and therefore do not provide eligibility data. In the absence of such data, for these funds, Belfius reported the same percentage for both the eligibility and the alignment, assuming that the eligibility should be at least as important as the alignment percentage. For this year, Belfius decided not to use the EET files and report these exposures as 0% eligible and 0% aligned to avoid making estimates on eligibility. Belfius is currently exploring ways to obtain eligibility data for these products.

Not eligible

For the calculation of the eligibility, Belfius assumed that all exposures for which no eligibility data was available were not eligible. However, within these exposures, there may be eligible activities for which the data was not captured. This data limitation contributes to the significant percentage of not-eligible exposures reported.

Mandatory templates for asset managers

(amounts in millions of EUR)

Table 1 – KPI of asset managers

The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities **relative to the value of total assets covered by the KPI**, with following weights for investments in undertakings per below: Turnover-based: 0.92% CapEx-based: 1.26%	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: 330.83 CapEx-based: 457.00
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities. Coverage ratio: % Coverage ratio: 99.48%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: 36,140.51
Additional, complementary disclosures: breakdown of <u>denominator</u> of the KPI	
The percentage of derivatives relative to total assets covered by the KPI. 0.14%	The value in monetary amounts of derivatives:. 50.14
The proportion of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 0,83% For financial undertakings: 2.42%	Value of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: 298.14 For financial undertakings: 875.09
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 3.68% For financial undertakings: 1.61%	Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: 1,331.13 For financial undertakings: 581.33
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 4.35% For financial undertakings: 7.70%	Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: 1,573.72 For financial undertakings: 2,783.59
The proportion of **exposures to other counterparties and assets over** total assets covered by the KPI: 79.27%	Value of **exposures to other counterparties and assets**: 28,647.27
The value of all the investments that are funding **economic activities that are not taxonomy-eligible** relative to the value of total assets covered by the KPI: Turnover-based: 97.54% CapEx-based: 96.44%	Value of all the investments that are funding **economic activities that are not taxonomy-eligible**: Turnover-based: 35,249.86 CapEx-based: 34,852.54
The value of all the investments that are funding taxonomy-eligible economic activities, **but not taxonomy-aligned** relative to the value of total assets covered by the KPI: Turnover-based: 1.55% CapEx-based: 2.30%	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not taxonomy-aligned:** Turnover-based: 559.82 CapEx-based: 830.97

Additional, complementary disclosures: breakdown of numerator of the KPI		
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.45% CapEx-based: 0.66% For financial undertakings: Turnover-based: 0.05% Capital expenditures-based: 0.11%	Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: Turnover-based: 163.07 CapEx-based: 238.68 For financial undertakings: Turnover-based: 19.13 CapEx-based: 39.72	
The proportion of **taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI: Turnover-based: 0.41% CapEx-based: 0.49%	Value of **taxonomy-aligned exposures to other counterparties and assets**: Turnover-based: 148.64 CapEx-based: 178.60	
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities:		
(1) Climate change mitigation	Turnover: 0.73% CapEx: 1.11%	Transitional activities: 0.00% Enabling activities: 0.46% Transitional activities: 0.05% Enabling activities: 0.57%
(2) Climate change adaptation	Turnover: 0.01% CapEx: 0.00%	Enabling activities: 0,00% Enabling activities: 0,00%
(3) The sustainable use and protection of water and marine resources	Turnover: 0.00% CapEx: 0.00%	Enabling activities: 0,00% Enabling activities: 0,00%
(4) The transition to a circular economy	Turnover: 0.04% CapEx: 0.02%	Enabling activities: 0,01% Enabling activities: 0,00%
(5) Pollution prevention and control	Turnover: 0,02%	Enabling activities: 0,00%

	CapEx: 0.02%	Enabling activities: 0,00%
(6) The protection and restoration of biodiversity and ecosystems		
	Turnover: 0.00%	Enabling activities: 0,00%
	CapEx: 0.00%	Enabling activities: 0,00%

Mandatory templates for nuclear energy and fossil gas-related activities

Table 1 – Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Table 2 – Taxonomy-aligned economic activities (denominator)

Economic activities	TURNOVER Amount and proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.01	0.00%	0.01	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.32	0.00%	0.32	0.00%	0.00	0.00%	0.06	0.00%	0.06	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.13	0.00%	0.13	0.00%	0.00	0.00%	1.39	0.00%	1.39	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.19	0.00%	0.19	0.00%	0.00	0.00%	0.06	0.00%	0.06	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	264.40	0.73%	262.18	0.73%	2.22	0.01%	399.76	1.11%	398.07	1.10%	1.69	0.00%
Total applicable KPI	**265.04**	**0.73%**	**262.82**	**0.73%**	**2.22**	**0.01%**	**401.28**	**1.11%**	**399.59**	**1.11%**	**1.69**	**0.00%**

Table 3 – Taxonomy-aligned economic activities (numerator)

Economic activities	TURNOVER Amount and proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	(CCM+CCA)		Climate change mitigation		Climate change adaptation		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.01	0.00%	0.01	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.32	0.00%	0.32	0.00%	0.00	0.00%	0.06	0.00%	0.06	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.13	0.00%	0.13	0.00%	0.00	0.00%	1.39	0.00%	1.39	0.00%	0.00	0.00%
Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.19	0.00%	0.19	0.00%	0.00	0.00%	0.06	0.00%	0.06	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	264.40	100.00%	262.18	99.16%	2.22	0.84%	399.76	100.00%	398.07	99.57%	1.69	0.42%
Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	**265.04**	**100.00%**	**262.82**	**99.16%**	**2.22**	**0.84%**	**401.28**	**100.00%**	**399.59**	**99.58%**	**1.69**	**0.42%**

Table 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities	TURNOVER Proportion (the information is to be presented in monetary amounts and as percentages)						CAPEX Proportion (the information is to be presented in monetary amounts and as percentages)					
	(CCM+CCA)		Climate change mitigation		Climate change adaptation		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.05	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	0.00	0.00%	0.02	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.50	0.00%	1.50	0.00%	0.00	0.00%	1.82	0.01%	0.91	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.90	0.00%	0.90	0.00%	0.00	0.00%	0.22	0.00%	0.13	0.00%	0.00	0.00%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.13	0.00%	0.13	0.00%	0.00	0.00%	0.09	0.00%	0.00	0.00%	0.00	0.00%
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	128.57	0.36%	114.10	0.32%	14.47	0.04%	420.18	1.16%	347.86	0.96%	73.48	0.20%
Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	**131.11**	**0.36%**	**116.64**	**0.32%**	**14.47**	**0.04%**	**422.38**	**1.17%**	**348.90**	**0.97%**	**73.48**	**0.20%**

Table 5 – Taxonomy not eligible economic activities

	TURNOVER		CAPEX	
Economic activities	**Amount**	**Percentage**	**Amount**	**Percentage**
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-
Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’	-	-	-	-

Consolidated financial statements
as at 31 December 2024

Consolidated balance sheet

Assets

(in thousands of EUR)		Notes	31/12/23	31/12/24
I.	Cash and balances with central banks	5.2.	20,487,140	22,259,583
II.	Loans and advances due from credit institutions	5.3.	5,274,249	4,496,096
	A Measured at amortised cost		5,274,249	4,496,096
	B Measured at fair value through other comprehensive income		0	0
	C Measured at fair value through profit or loss		0	0
III.	Loans and advances	5.4.	114,531,169	119,590,251
	A Measured at amortised cost		109,761,695	114,973,285
	B Measured at fair value through other comprehensive income		4,181,197	4,132,375
	C Measured at fair value through profit or loss		588,277	484,590
IV.	Debt securities & equity instruments	5.5.	27,923,609	29,973,327
	A Measured at amortised cost		13,521,835	14,401,792
	B Measured at fair value through other comprehensive income		8,718,772	9,557,578
	C Measured at fair value through profit or loss		1,506,789	1,468,255
	D Measured at fair value through profit or loss - Unit linked		4,176,214	4,545,702
V.	Derivatives	5.6.	5,321,426	5,285,936
VI.	Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6.	1,608,587	1,440,857
VII.	Assets from insurance/reinsurance contracts	6.5.	97,806	97,517
	A Insurance contracts assets		0	0
	B Reinsurance contracts assets		97,806	97,517
VIII.	Investments in equity method companies	5.7.	161,533	205,470
IX.	Tangible fixed assets	5.8.	1,864,571	2,067,563
X.	Intangible assets	5.9.	326,957	364,579
XI.	Goodwill	5.10.	103,966	103,966
XII.	Tax assets	5.11.	494,585	502,194
	A Current tax assets		43,356	54,754
	B Deferred tax assets		451,229	447,440
XIII.	Other assets	5.12.	967,171	1,060,374
XIV.	Non current assets (disposal group) held for sale and discontinued operations	5.13.	16,582	9,722
TOTAL ASSETS			179,179,352	187,457,435

The notes on pages 411 to 571, including the specific identified sections of the Management report in these notes and as indicated in the Management report, are an integral part of the consolidated annual financial statements.

Liabilities

(in thousands of EUR)		Notes	31/12/23	31/12/24
I.	Cash and balances from central banks	6.1.	1,430,190	0
II.	Credit institutions borrowings and deposits	6.2.	3,912,390	2,313,973
	A Measured at amortised cost		3,912,390	2,313,973
	B Measured at fair value through profit or loss		0	0
III.	Borrowings and deposits	6.3.	104,000,435	108,662,704
	A Measured at amortised cost		103,980,476	108,643,869
	B Measured at fair value through profit or loss		19,959	18,835
IV.	Debt securities issued and other financial liabilities	6.4.	36,017,933	41,453,201
	A Measured at amortised cost		23,603,069	28,317,135
	B Measured at fair value through profit or loss		8,238,650	8,590,365
	C Measured at fair value through profit or loss - Unit linked		4,176,214	4,545,702
V.	Derivatives	5.6.	7,229,432	6,504,856
VI.	Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6.	(1,029,463)	(611,090)
VII.	Liabilities from insurance/reinsurance contracts	6.5.	11,405,090	11,787,047
	A Insurance contract liabilities		11,405,090	11,787,047
	B Reinsurance contracts liabilities		0	0
VIII.	Provisions and contingent liabilities	6.6.	485,860	506,305
IX.	Subordinated debts	6.7.	1,777,995	2,319,828
	A Measured at amortised cost		1,777,995	2,319,828
	B Measured at fair value through profit or loss		0	0
X.	Tax liabilities	5.11.	52,521	76,716
	A Current tax liabilities		45,520	69,513
	B Deferred tax liabilities		7,001	7,202
XI.	Other liabilities	6.8.	1,677,607	1,610,562
XII.	Liabilities included in disposal group and discontinued operations		0	0
TOTAL LIABILITIES			166,959,989	174,624,102

Equity

(in thousands of EUR)		Notes	31/12/23	31/12/24
XIII.	Subscribed capital		3,458,066	3,458,066
XIV.	Additional paid-in capital		209,232	209,232
XV.	Treasury shares		0	0
XVI.	Reserves and retained earnings		6,709,420	7,401,155
XVII.	Net income for the period		1,114,538	1,126,872
CORE SHAREHOLDERS' EQUITY			11,491,257	12,195,325
XVIII.	Fair value changes of debt instruments measured at fair value through other comprehensive income		(353,149)	(349,845)
XIX.	Fair value changes of equity instruments measured at fair value through other comprehensive income		195,452	145,248
XX.	Fair value changes due to own credit risk on financial liabilities designated as at fair value through profit or loss to be presented in other comprehensive income		0	0
XXI.	Fair value changes of derivatives following cash flow hedging		(128,839)	(209,450)
XXII.	Remeasurement pension plans		125,752	97,022
XXIII.	Total insurance/reinsurance finance component recognised in other comprehensive income		353,669	308,497
XXIV.	Other reserves		208	208
GAINS AND LOSSES NOT RECOGNISED IN THE STATEMENT OF INCOME			193,093	(8,319)
TOTAL SHAREHOLDERS' EQUITY			11,684,350	12,187,006
XXV.	Additional Tier-1 instruments included in equity		497,083	600,690
XXVI.	Non-controlling interests		37,929	45,637
TOTAL EQUITY			12,219,362	12,833,333
TOTAL LIABILITIES AND EQUITY			179,179,352	187,457,435

The notes on pages 411 to 571, including the specific identified sections of the Management report in these notes and as indicated in the Management report, are an integral part of the consolidated annual financial statements.

Consolidated statement of income

(in thousands of EUR)		Notes	31/12/23	31/12/24
I.	Interest income	7.1.	6,868,486	8,135,464
II.	Interest expense	7.1.	(4,442,285)	(5,795,913)
III.	Fee and commission income	7.2.	980,274	1,053,855
IV.	Fee and commission expenses	7.2.	(201,362)	(222,753)
V.	Insurance service result	7.3.	277,509	232,395
	A Insurance revenue		1,186,641	1,213,907
	B Insurance service expenses		(880,000)	(937,801)
	C Net expenses from reinsurance contracts		(29,132)	(43,712)
VI.	(Re)insurance finance result	7.3.	(238,664)	(273,638)
	A insurance finance result		(241,007)	(275,880)
	B Reinsurance finance result		2,343	2,242
VII.	Dividend income	7.4.	57,285	76,676
VIII.	Net income from equity method companies	7.5.	7,527	50,508
IX.	Net income from financial instruments at fair value through profit or loss	7.6.	53,527	84,483
X.	Net income on investments and liabilities	7.7.	(7,211)	54,393
XI.	Other income	7.8.	419,368	442,275
XII.	Other expenses	7.9.	(633,566)	(578,456)
INCOME			3,140,888	3,259,288
XIII.	Staff expenses	7.10.	(678,835)	(717,142)
XIV.	General and administrative expenses	7.11.	(517,426)	(541,261)
XV.	Network costs		(224,464)	(235,461)
XVI.	Depreciation and amortisation of fixed assets	7.12.	(117,440)	(119,106)
EXPENSES			(1,538,166)	(1,612,971)
NET INCOME BEFORE TAX AND IMPAIRMENTS			1,602,722	1,646,318
XVII.	Impairments on financial instruments and provisions for credit commitments	7.13.	(109,211)	(133,294)
XVIII.	Impairments on tangible and intangible assets	7.14.	(855)	0
XIX.	Impairments on goodwill	7.15.	0	0
NET INCOME BEFORE TAX			1,492,656	1,513,024
XX.	Current tax (expense) income		(304,968)	(319,029)
XXI.	Deferred tax (expense) income		(70,897)	(65,003)
TOTAL TAX (EXPENSE) INCOME		7.16.	(375,865)	(384,032)
NET INCOME AFTER TAX			1,116,791	1,128,992
XXII.	Discontinued operations (net of tax)		0	0
NET INCOME			1,116,791	1,128,992
Attributable to non-controlling interests			2,252	2,120
Attributable to equity holders of the parent			1,114,538	1,126,872

The notes on pages 411 to 571, including the specific identified sections of the Management report in these notes and as indicated in the Management report, are an integral part of the consolidated annual financial statements.

Consolidated statement of comprehensive income

	31/12/23			31/12/24		
	Before-tax amount	Tax (expense) income	Net-of-tax amount	Before-tax amount	Tax (expense) income	Net-of-tax amount
RESULT RECOGNISED IN THE STATEMENT OF INCOME	1,492,656	(375,865)	1,116,791	1,513,024	(384,032)	1,128,992
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS						
Fair value changes of equity instruments measured at fair value through other comprehensive income(1)	54,389	(652)	53,737	(17,022)	6,064	(10,958)
Remeasurement pension plans(2)	7,759	(1,940)	5,819	(38,306)	9,577	(28,730)
Other movements	0	0	0	0	0	0
TOTAL OF OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	62,148	(2,592)	59,556	(55,329)	15,641	(39,688)
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS						
Fair value changes of debt instruments measured at fair value through other comprehensive income(3)	443,676	(111,008)	332,668	4,572	(1,265)	3,307
Gains (losses) on cash flow hedges(4)	(21,488)	5,293	(16,195)	(109,267)	28,655	(80,611)
Total insurance/reinsurance finance component recognised in other comprehensive income(5)	(435,070)	108,768	(326,303)	(60,229)	15,057	(45,172)
TOTAL OF OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	(12,883)	3,053	(9,830)	(164,924)	42,448	(122,476)
OTHER COMPREHENSIVE INCOME	49,265	461	49,726	(220,253)	58,089	(162,164)
TOTAL COMPREHENSIVE INCOME	1,541,921	(375,404)	1,166,517	1,292,771	(325,943)	966,828
Attributable to equity holders of the parent	1,538,087	(375,381)	1,162,706	1,287,954	(325,829)	962,124
Attributable to non-controlling interests(6)	3,834	(24)	3,811	4,817	(114)	4,703

(1) The fair value of equity instruments measured at fair value through other comprehensive income decreased by EUR -11 million due to negative market evolutions.
(2) The remeasurement of pension plans decreased by EUR -29 million (after tax) due to the negative return on plan assets, a decrease of the discount rate and experience adjustments.
(3) The fair value of debt instruments measured at fair value through other comprehensive income increased with EUR 3 million, mainly resulting from positive fair value adjustments on the loan portfolio of Belfius Insurance resulting from decreased interest rates (EUR +70 million), almost entirely offset by a decrease in fair value on the bond portfolio (EUR -67 million) due to widened credit spreads (mainly on French and German government bonds) and realisations of capital gains.
(4) Gains (losses) on cash flow hedges decreased by EUR -81 million to EUR -209 million (31 December 2023: EUR -129 million), due mainly to the evolution of basis spreads on derivative positions in GBP and USD.
(5) The total insurance/reinsurance finance component recognized in Other Comprehensive Income decreased by EUR -45 million to EUR 308 million and is explained by the impact of the decrease in discount rate.
(6) The non-controlling interests increased by EUR 4.7 million stemming from higher results at Capline.

Gains and losses not recognised in the statement of income decreased by EUR -162 million, due to negative fair value changes of equity instruments (EUR -11 million), the remeasurement of pension plans EUR -29 million and a decrease in Gains (losses) on cash flow hedges (EUR -81 million). The impact of the fair value changes of the debt securities (EUR +3 million) is compensated by the insurance finance component resulting from a decrease in discount rate (EUR -45 million). The difference is mainly a result of the refinement in modelling of future interest guarantees.

Net income before tax increased by EUR 20.4 million, or 1.4%, to EUR 1,513 million (31 December 2023: EUR 1,493 million). Belfius Banking Group contributed EUR 1,150 million (31 December 2023: EUR 1,175 million) and Belfius Insurance Group contributed EUR 363 million (31 December 2023: EUR 317 million).

The 2024 result amounted to EUR 1,127 million, an increase of EUR 12 million (EUR 1,115 million in 2023) demonstrating Belfius' capacity to continue to transform strong commercial dynamics in resilient financials thanks to the diversification of the interest income with fee and commission income and net insurance result. Belfius continued to present a year-on-year increase in net result with a growing contribution from the insurance activities. The Belfius Banking group contributed for EUR 854 million (compared with EUR 876 million in 2023), the Belfius Insurance Group contributed for EUR 273 million (compared with EUR 239 million in 2023).

The notes on pages 411 to 571 are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

1. 2023

(in thousands of EUR)	Subscribed capital	Additional paid-in capital	Reserves and retained earnings [3]	Net income for the period	Core shareholders' equity	Total gains and losses not recognised in profit and loss - Group share	Additional Tier-1 instruments included in equity	Non-controlling interests	Total equity
AS AT 1 JANUARY 2023	3,458,066	209,232	6,176,745	931,771	10,775,814	602,485	497,083	34,561	11,909,944
Movements of the period									
Result recognised in the statement of income	0	0	0	1,114,538	**1,114,538**	0	0	2,252	**1,116,791**
Other comprehensive income	0	0	0	0	**0**	(416,637)	0	2,500	**(414,138)**
TOTAL COMPREHENSIVE INCOME	**0**	**0**	**0**	**1,114,538**	**1,114,538**	**(416,637)**	**0**	**4,752**	**702,653**
Transfers to reserves	0	0	931,771	(931,771)	**0**	0	0	0	**0**
Dividends [1]	0	0	(384,417)	0	**(384,417)**	0	0	(996)	**(385,413)**
Dividends Additional Tier 1	0	0	(13,594)	0	**(13,594)**	0	0	0	**(13,594)**
Variation of scope of consolidation [2]	0	0	6,160	0	**6,160**	0	0	(388)	**5,772**
Transfers from OCI due to sale of equity instruments	0	0	(7,244)	0	**(7,244)**	7,244	0	0	**0**
AS AT 31 DECEMBER 2023	3,458,066	209,232	6,709,420	1,114,538	11,491,257	193,093	497,083	37,929	12,219,362

(1) Belfius paid a total of EUR 384.4 million as dividend over the result of 2022 (based on a pay-out ratio of 40%) after approval of the General Assembly of April 2023.
(2) Variations in the scope of consolidation is mainly explained by the consolidation (via equity method) of Fixxer and also relate to variations in our shareholding as a result of capital increases in Vicinity.
(3) Reserves include, amongst other, statutory and available reserves.

The notes on pages 411 to 571 are an integral part of the consolidated financial statements.

Gains and losses not recognised in the statement of income

(in thousands of EUR)	Other comprehensive income that may be reclassified to profit or loss			Other comprehensive income that will not be reclassified to profit and loss			Total gains and losses not recognised in profit and loss – Group share	Total gains and losses not recognised in profit and loss – Non controlling interests
	Fair value changes of debt instruments measured at fair value through other compre-hensive income[1]	Gains (losses) on cash flow hedges	Total insurance/reinsurance finance component recognised in other comprehen-sive income	Unrealised result of property revaluation	Fair value changes of equity instruments measured at fair value through other comprehensive income[2]	Remeasure-ment pension plans		
AS AT 1 JANUARY 2023	(221,928)	(112,644)	679,972	208	136,944	119,933	602,485	10,936
Movements of the period								
Net change in fair value through other comprehensive income - debt instruments	299,598	0	0	0	0	0	299,598	0
Transfer to income due to impairments - debt instruments	5,179	0	0	0	0	0	5,179	(0)
Transfer to income due to disposals - debt instruments	26,394	0	0	0	0	0	26,394	18
Net change in fair value through other comprehensive income - equity instruments	0	0	0	0	51,263	0	51,263	2,481
Net change in fair value through equity – derivatives - hedging reserve[3]	0	(16,277)	0	0	0	0	(16,277)	0
Net change in cash flow hedge reserve due to transfers to income	0	82	0	0	0	0	82	0
Net changes related to insurance/reinsurance contracts[4]	0	0	(325,431)	0	0	0	(325,431)	0
Remeasurement pension plans[5]	0	0	0	0	0	5,819	5,819	0
Transfers	168	0	0	0	0	0	168	0
Transfers to retained earnings due to sale of equity instruments irrevocably measured through other comprehensive income	0	0	0	0	7,244	0	7,244	(942)
Other movements	(462,560)	0	(872)	0	0	0	(463,433)	0
AS AT 31 DECEMBER 2023	(353,149)	(128,839)	353,669	208	195,452	125,752	193,093	12,494

(1) The fair value of debt instruments measured at fair value through other comprehensive income decreased with EUR -131 million, or 59.1%, to EUR -353 million (31 December 2022: EUR -222 million) mainly due to the IFRS 9 business model reassessment on 1 January 2023 following the first time application of IFRS17, resulting in an impact of EUR -464 million as loans and advances and debt instruments of the Belfius Insurance portfolio were reclassified from measured at amortised cost to measured at fair value through other comprehensive income. The decrease is partially compensated by positive fair value adjustments of EUR +0.3 billion in the course of 2023 resulting from tightened credit spreads and the realization of capital losses, partially offset by increased short term interest rates.
(2) The fair value of equity instruments measured at fair value through other comprehensive income increased by EUR 59 million, or 42.7%, to EUR 195 million (31 December 2022: EUR 137 million), resulting from increased fair values of essentially unquoted shares.
(3) Gains (losses) on cash flow hedges decreased by EUR -16 million to EUR -129 million (31 December 2022: EUR -113 million), due mainly to the evolution of basis spreads on derivative positions in GBP and USD.
(4) The total insurance/reinsurance finance component recognized in Other Comprehensive Income decreased by EUR -326 million, or -48.0%, to EUR 354 million (31 December 2022: EUR 680 million),), resulting from the changes in discount rate and the recalibration of the mass lapse risk in the risk adjustment.
(5) The remeasurement of defined benefit plans increased by EUR 6 million, to EUR 126 million (31 December 2022: EUR 120 million), due mainly to the positive return on plan assets and experience adjustments, partially offset by a decrease of the discount rate.

Taking into account the IFRS 9 business model reassessment per 1 January 2023 following the first time application of IFRS17, the gain and losses not recognised in the statement of income increased by EUR 54 million (evolution from 1st January 2023 to 31 December 2023), the impact of the insurance finance component resulting from changes in discount rate (EUR -326 million) are compensated by the fair value changes of the debt securities (EUR +333 million).

2. 2024

(in thousands of EUR)	Subscribed capital	Additional paid-in capital	Reserves and retained earnings[4]	Net income for the period	Core shareholders' equity	Total gains and losses not recognised in profit and loss - Group share	Additional Tier-1 instruments included in equity	Non-controlling interests	Total equity
AS AT 31 DECEMBER 2023	3,458,066	209,232	6,709,420	1,114,538	11,491,257	193,093	497,083	37,929	12,219,362
Movements of the period									
Result recognised in the statement of income	0	0	0	1,126,872	**1,126,872**	0	0	2,120	**1,128,992**
Other comprehensive income	0	0	0	0	**0**	(168,562)	0	6,398	**(162,164)**
TOTAL COMPREHENSIVE INCOME	0	0	**0**	**1,126,872**	**1,126,872**	**(168,562)**	**0**	**8,518**	**966,828**
Issuance of AT 1 instruments[1]	0	0	0	0	**0**	0	496,700	0	**496,700**
Reimbursement of AT1 instruments[1]	0	0	0	0	**0**	0	(393,094)	0	**(393,094)**
Transfers to reserves	0	0	1,114,538	(1,114,538)	**0**	0	0	0	**0**
Dividends[2]	0	0	(440,348)	0	**(440,348)**	0	0	(754)	**(441,102)**
Dividends Additional Tier 1	0	0	(13,594)	0	**(13,594)**	0	0	0	**(13,594)**
Variation of scope of consolidation	0	0	(74)	0	**(74)**	0	0	(56)	**(130)**
Other movements[3]	0	0	(1,638)	0	**(1,638)**	0	0	0	**(1,638)**
Transfers from OCI due to sale of equity instruments	0	0	32,850	0	**32,850**	(32,850)	0	0	**0**
AS AT 31 DECEMBER 2024	3,458,066	209,232	7,401,155	1,126,872	12,195,325	(8,319)	600,690	45,637	12,833,333

(1) Belfius Bank partially called the outstanding AT1 for an amount of EUR 395 million followed by the emission of a new AT1 for an amount of EUR 500 million in October 2024.
(2) Belfius paid a total of EUR 440.3 million as dividend over the result of 2023 (based on a pay-out ratio of 40%) after approval of the General Assembly of April 2024.
(3) Other movements include a realised loss of EUR 1.6 million on the partial call of the outstanding AT1 in October 2024.
(4) Reserves include, amongst other, statutory and available reserves.

The notes on pages 411 to 571 are an integral part of the consolidated financial statements.

Gains and losses not recognised in the statement of income

	Other comprehensive income that may be reclassified to profit or loss			Other comprehensive income that will not be reclassified to profit and loss			Total gains and losses not recognised in profit and loss – Group share	Total gains and losses not recognised in profit and loss – Non controlling interests
	Fair value changes of debt instruments measured at fair value through other comprehensive income(1)	Gains (losses) on cash flow hedges	Total (re)insurance finance component recognised in other comprehensive income	Unrealised result of property revaluation	Fair value changes of equity instruments measured at fair value through other comprehensive income(2)	Remeasurement pension plans		
AS AT 31 DECEMBER 2023	(353,149)	(128,839)	353,669	208	195,452	125,752	193,093	12,494
Movements of the period								
Net change in fair value through other comprehensive income - debt instruments	36,186	0	0	0	0	0	36,186	0
Transfer to income due to impairments - debt instruments	1,014	0	0	0	0	0	1,014	0
Transfer to income due to disposals - debt instruments	(33,896)	0	0	0	0	0	(33,896)	(1)
Net change in fair value through other comprehensive income - equity instruments	0	0	0	0	(16,929)	0	(16,929)	6,542
Net change in fair value through equity – derivatives - hedging reserve(3)	0	(80,703)	0	0	0	0	(80,703)	0
Net change in cash flow hedge reserve due to transfers to income	0	92	0	0	0	0	92	0
Net changes related to (re) insurance contracts(4)	0	0	(44,326)	0	0	0	(44,326)	0
Remeasurement pension plans(5)	0	0	0	0	0	(28,730)	(28,730)	0
Transfers	0	0	0	0	(423)	0	(423)	0
Transfers to retained earnings due to sale of equity instruments irrevocably measured through other comprehensive income	0	0	0	0	(32,850)	0	(32,850)	(3,817)
Other movements	0	0	(846)	0	0	0	(846)	(141)
AS AT 31 DECEMBER 2024	(349,845)	(209,450)	308,497	208	145,248	97,022	(8,319)	15,077

(1) The fair value of debt instruments measured at fair value through other comprehensive income increased with EUR 3 million, or -0.9%, to EUR -350 million (31 December 2023: EUR -353 million)) mainly resulting from an increase in fair value on the loan portfolio of Belfius Insurance resulting from decreased interest rates, almost entirely offset by a decrease in fair value on the bond portfolio. This negative evolution can be explained by negative fair value adjustment of government bonds due to increased credit spreads (mainly with regard to the credit spreads on French and German government bonds) and by the realization of capital gains.
(2) The fair value of equity instruments measured at fair value through other comprehensive income decreased by EUR -50 million, or -25.7%, to EUR 145 million (31 December 2023: EUR 195 million), resulting from the realization of capital gains and negative market evolutions.
(3) Gains (losses) on cash flow hedges decreased by EUR -81 million to EUR -209 million (31 December 2023: EUR -129 million), due mainly to the evolution of basis spreads on derivative positions in GBP and USD.
(4) The total (re)insurance finance component recognised in other comprehensive income decreased by EUR -45 million, or -12.8%, to EUR 308 million (31 December 2023: EUR 354 million), mainly related to a decrease in discount rate.
(5) The remeasurement of defined benefit plans decreased by EUR -29 million, to EUR 97 million (31 December 2023: EUR 126 million), due mainly to the return on plan, a decrease of the discount rate and experience adjustments.

EQUITY	31/12/23	31/12/24
BY CATEGORY OF SHARE		
Number of shares authorised and not issued	0	0
Number of shares issued and fully paid	359,412,616	359,412,616
Number of shares issued and not fully paid	0	0
Earnings per share (EUR)		
Ordinary	3.10	3.14
Diluted	3.10	3.14
NOMINAL VALUE PER SHARE	no nominal value	no nominal value
Outstanding as at 1 January	359,412,616	359,412,616
Number of shares issued	0	0
Number of shares cancelled	0	0
Outstanding as at 31 December	359,412,616	359,412,616
Rights, preferences and restrictions, including restrictions on the distribution of dividends and the repayment of capital	0	0
Number of treasury shares	0	0
Number of shares reserved for issue under stock options and contracts for the sale of share	0	0

Refer to the Capital Management chapter of the Management Report for further information on the changes of regulatory own funds and the solvency of Belfius.

Shared-based payments

There are no option plans with Belfius shares as underlying asset.

The notes on pages 411 to 571 are an integral part of the consolidated financial statements.

Consolidated cash flow statement

Belfius uses the indirect method for the cash flow statement. The presentation of this statement begins with net income, with subsequent additions to and deductions from that amount for non-cash items, resulting in net cash provided by operating activities.

(in thousands of EUR)	31/12/23	31/12/24
CASH FLOW FROM OPERATING ACTIVITIES		
Net income attributable to equity holders of the parent	1,114,538	1,126,872
Net income attributable to non-controlling interests	2,252	2,120
ADJUSTMENT FOR NON CASH ITEMS	276,595	148,837
Depreciation, amortisation and other impairment	246,116	286,493
Impairment on bonds, loans and other assets	26,617	(33,611)
Net (gains) or losses on investments	(14,377)	(35,212)
Net (gains) or losses on tangible & intangible assets	(12,240)	(6,703)
Net (gains) or losses on consolidated shares & equity method companies(1)	(2,137)	(28,509)
Increase / (decrease) of provisions (mainly insurance provisions)	(31,476)	(27,470)
Unrealised (gains) or losses(2)	(25,153)	(60,004)
Net unrealised gains from cash flow hedges and discontinuations	70	82
Income from equity method companies(3)	(8,853)	(50,508)
Dividends from equity method companies	12,754	4,064
Deferred taxes	70,897	65,003
Deferred tax income	(1,046,787)	(1,665,032)
Deferred tax charges	1,117,684	1,730,035
CHANGES IN OPERATING ASSETS	(5,568,771)	(7,084,139)
Loans and advances due from credit institutions	(65,416)	581,300
Loans and advances	(4,372,533)	(4,905,324)
Debt securities and equity instruments	(1,044,749)	(2,019,330)
Assets from insurance companies	4,558	1,729
Tax asset	(15,690)	(12,482)
Accrued income from financial assets	106,374	(625,560)
Other assets	(181,493)	(103,814)
Assets held for sale-other assets	177	(656)
CHANGES IN OPERATING LIABILITIES	(239,100)	7,918,343
Balances from central banks(4)	(4,600,000)	(1,400,000)
Loans and advances due to credit institutions	2,024,677	(1,600,595)
Customer borrowings and deposits	(4,779,494)	4,462,236
Debt securities and other financial liabilities	5,818,514	4,939,394
Tax liabilities	15,925	32,356
Accrued expenses on financial instruments	513,290	1,182,106
Other liabilities specific to insurance companies	532,520	379,231
Other liabilities	235,467	(76,385)
OTHER OPERATING FLOWS(5)	(498,586)	789,031
DERIVATIVES	(628,025)	(871,760)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(5,541,097)	2,029,304

(1) Belfius Bank realised a capital gain on the sale of its minority stake in Cyclis Bike Lease in 2024.
(2) This line item represents the fair value adjustments on financial instruments at fair value through profit or loss.
(3) Isabel sold its participation in Finca Group in 2024, resulting in an increase in income from equity method companies (EUR 49 million).
(4) In 2023 TLTRO III funding decreased by EUR -4.6 billion as a result of maturities. In 2024, the remaining TLTRO III participation expired (EUR -1.4 billion).
(5) Other operating flows include adjustments for non cash items and mainly consist of fair value adjustments on hedged items.

(in thousands of EUR)	31/12/23	31/12/24
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets(1)	(644,566)	(575,721)
Sales of fixed assets(1)	150,883	119,128
Acquisitions of unconsolidated equity shares(2)	(88,067)	(394,490)
Sale of unconsolidated equity shares(3)	110,557	251,750
Acquisitions of subsidiaries and of business units(4)	(833)	(22,776)
Sale of subsidiaries and of business units(5)	4,250	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(467,776)	(622,109)
CASH FLOW FROM FINANCING ACTIVITIES		
Reimbursement of capital	(15)	0
Issuance of subordinated debts(6)	495,965	531,689
Reimbursement of subordinated debts(6)	(266,452)	0
Issuance of Additional Tier-1 instruments(7)	0	496,700
Reimbursement of Additional Tier-1 instruments(7)	0	(393,094)
Dividends paid(8)	(399,007)	(454,696)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(169,509)	180,599
NET CASH PROVIDED	(6,178,381)	1,587,795
of which cash outflow for leases	(5,201)	(5,288)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	28,048,389	21,870,715
Cash flow from operating activities	(5,541,097)	2,029,304
Cash flow from investing activities	(467,776)	(622,109)
Cash flow from financing activities	(169,509)	180,599
Effect of exchange rate changes on cash and cash equivalents	707	615
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21,870,715	23,459,124
ADDITIONAL INFORMATION		
Income tax paid (included in line net cash provided (used) by operating activities)	(338,704)	(306,433)
Dividends received (included in line net cash provided (used) by operating activities)	69,959	80,740
Interest received (included in line net cash provided (used) by operating activities)	6,957,470	7,494,616
Interest paid (included in line net cash provided (used) by operating activities)	(3,887,784)	(4,622,948)

(1) The purchase and sale of fixed assets mainly relates to leasing contracts of Belfius Auto Lease that are recognised as operating lease contracts.
(2) Belfius has invested in Mistral AI and ALAN in 2024. Furthermore Belfius Insurance acquired equity instruments for risk and ALM purposes. Refer to note 5.5. Debt securities and equity instruments.
(3) Includes the disposal of a minority stake in Cyclis Bike Lease by Belfius Bank in 2024. Furthermore Belfius Insurance sold equity instruments for risk and ALM purposes. Refer to note 10.1. Significant changes in scope of consolidation and note 5.5. Debt securities and equity instruments.
(4) Belfius Insurance acquired a 100% stake in the real estate company Renouv O in January 2024. Belfius Bank acquired a 100% stake in the real estate company Phormio in November 2024. Refer to note 10.1. Significant changes in scope of consolidation.
(5) In 2023 Belfius Insurance realized a capital gain of EUR 4 million on Fixxer due to the demerger of Jaimy. Refer to note 10.1. Significant changes in scope of consolidation.
(6) In January 2023 Belfius issued Tier 2 subordinated notes amounting to EUR 0.5 billion and called Tier 2 subordinated loans amounting to EUR 0.2 billion in March 2023 and EUR 50 million in July 2023.
(7) Belfius Bank partially called the outstanding AT1 for an amount of EUR 395 million followed by the emission of a new AT1 for an amount of EUR 500 million in October 2024.
(8) This line includes the dividend paid to the shareholder in 2024 (EUR 440.3 million) over the results of 2023 as well as interest paid on the Additional Tier 1 of EUR 14 million in 2024, which is considered as a dividend under IFRS.

The increase in cash and cash equivalents (EUR +1.6 billion) mainly stems from an increase in cash flow from operating activities due to the issuance of debt securities (EUR +4.9 billion) and increased deposits from customers (EUR +4.5 billion), partially offset by the expiration of the remaining TLTRO III funding (EUR -1.4 billion) and increased reinvestments in loans and advances (EUR -4.9 billion).

Refer to the Liquidity Risk chapter of the Management Report for a detailed description of the liquidity position.

The notes on pages 411 to 571 are an integral part of the consolidated financial statements.

Notes to the consolidated annual financial statements

II. Post balance sheet events

Please find below an overview of non-adjusting events between the balance sheet date (31 December 2024) and the date of the board of directors.

1. Dividend

The Board of Directors of 20 March 2025, has proposed to the General Assembly of 30 April 2025 an ordinary dividend of EUR 444.5 million in respect of the accounting year 2024, based on a pay-out ratio of 40% on the consolidated 2024 net result.

Capital and liquidity management

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

- issued private placements in Tier 2 for an amount of EUR 40 million on 2 January 2025. This is part of the refinancing of a call of a private placement, with the approval of the ECB.
- issued EUR 500 million of Senior Preferred notes in January 2025 with a 6-year maturity.
- gave notice in February 2025 that the entirety of the outstanding amount (EUR 104.6 million) of the Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities issued on 1 February 2018 will be called at their principal amount on 16 April 2025.

III. Accounting policies on a consolidated basis

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Notes to the financial statements

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The common used abbreviations are:

- IASB: International Accounting Standards Board;
- IFRIC: Interpretation issued by the IFRS Interpretations Committee;
- IFRS: International Financial Reporting Standards.

In the following text, "Belfius", "Belfius Bank" and "Belfius Group" refer to Belfius Bank & Insurance and its consolidated entities.

The financial statements have been approved by the Board of Directors of Belfius Bank on 20/03/2025.

Accounting policies

1. BASIS OF ACCOUNTING

1.1. General

The consolidated financial statements of Belfius have been prepared in accordance with IFRSs as issued by the IASB, including interpretations ("IFRICs") issued by the IFRS Interpretation Committee, and as adopted by the European Union including the conditions applicable to interest-rate portfolio hedging ("carve-out").

The Royal Decree of 5 December 2004 requires Belfius to publish its consolidated financial statements in accordance with IFRSs adopted by the European Union as from 31 December 2006.

The consolidated financial statements are prepared on a going-concern basis. They are expressed in thousands of Euro (EUR) unless otherwise stated.

1.2. Accounting estimates and judgements

In preparing the consolidated financial statements, management is required to make estimates, assumptions and judgements that affect the amounts reported. To make these assumptions and estimates, management uses information available at the date of preparation of the financial statements and exercises its judgement. While management believes that it has considered all available information in developing these estimates, actual results may differ from the estimates and the differences could be material to the financial statements.

Judgement is used principally in, but not limited to, the following areas:

- Assessment of the business model considering the way performance of the assets is evaluated, the risks that affect this performance and the compensation of managers (see section 6.2.1);
- Assessment whether or not the contractual terms of a financial asset are solely payments of principal and interest (cf. SPPI test) (see section 6.2.1);
- Determination whether or not there is an active market based on criteria such as volume, actual trade, market liquidity, bid offer spread for financial instruments measured at fair value (see section 6.7.);
- Determination of fair value for financial instruments measured at fair value by means of valuation techniques (see section 6.7.);
- Determination whether or not Belfius (jointly) controls an investee or has significant influence over an investee: this control assessment considers all facts and circumstances, such as voting rights, potential voting rights, rights of the investor, type of activity (see section 3.);
- Identification of non-current assets and disposal groups held for sale and discontinued operations (IFRS 5) (see section 14.);
- The appropriateness of designating derivatives as hedging instruments;
- Existence of a present obligation with probable outflows in the context of litigations (see section 18.);
- Measurement of expected credit loss allowances and choice of the appropriate models as well as the use of appropriate assumptions about future economic conditions and credit behaviour of the customer (see section 6.5, the Risk Report, and the relevant notes in the financial statements);
- Assessment of significant increase in credit risk for a financial asset since its initial recognition to determine whether 12-month or lifetime expected losses should be recognised. This assessment takes into account qualitative and quantitative reasonable and supportable forward-looking information, (see section 6.5, the Risk Report, and the relevant notes in the financial statements);
- Grouping of assets with similar credit risk characteristics and continuous monitoring of the appropriateness of the credit risk characteristics to assess whether they continue to be similar (see section 6.5.),
- Classification of a financial instrument or its component parts as a financial liability or equity based on the economic substance rather than the legal form of the instrument or its component (see section 6.1.);
- Contract definitions, separating of components, level of aggregation, applicable measurement approaches, estimates of futures cash flows, discount rates related to insurance contracts IFRS 17 (see section 8).

Estimates are principally made in the following areas:

- Determination of the fair value less costs to sell for non-current assets and disposal groups held for sale (see section 14.);
- Determination of expected credit losses by using the relative weighting of forward-looking scenarios on credit behaviour of customers, the Probability of Default (PD) and Loss Given Default (LGD), (see section 6.5, the Risk Report, and the relevant notes in the financial statements);
- Determination of the change in fair value for financial liabilities designated as at FVTPL attributable to a change in credit risk of the financial liability (see section 6.3.2.);
- Determination of the useful life and the residual value of property, equipment, investment property and intangible assets (see section 10. and 11.);
- Determination of the market value correction to adjust for market value and model uncertainty (see section 6.7.);
- Measurement of liabilities for insurance contracts (see section 8.);
- Measurement of hedge effectiveness in hedging relations (see section 6.6.2. and 6.6.3.);

- Actuarial assumptions related to the measurement of employee benefits obligations and plan assets (see section 17. and note 6.7.);
- Estimation of future taxable profit for the recognition and measurement of deferred tax assets (see section 16.);
- Estimation of the recoverable amount of cash-generating units for goodwill impairment (see section 12.2.).

These judgements and estimates are discussed in the corresponding sections (as referenced above) of the accounting policies and/or the Risk Report and the relevant notes in the financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND APPLICABLE STANDARDS SINCE THE PREVIOUS ANNUAL PUBLICATION THAT MAY IMPACT BELFIUS

The overview of the texts below is made until the reporting date of 31 December 2024.

2.1. IASB / IFRS / IFRIC texts and amendments endorsed by the European Commission and effective as from 1 January 2024

A number of amendments to accounting standards are effective for annual periods beginning on 1 January 2024. These amendments have a limited impact on the financial statements.

- Lease Liability in a sale and leaseback and amendments to IFRS 16 leases (issued on 22 September 2022);

- Amendments to IAS 1 Presentation of Financial Statements
  - Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
  - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
  - Non-current Liabilities with Covenants (issued on 31 October 2022);

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial instruments: Disclosures – Supplier Finance Arrangements (issued on May 2023).

2.2. IASB / IFRS / IFRIC texts and amendments endorsed by the European Commission but not yet applicable as from 1 January 2024

Nihil.

2.3. IASB/IFRS/IFRIC texts and amendments issued but not yet endorsed by the European Commission (not yet effective)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, (issued on 15 august 2023), clarify when a currency is exchangeable into another currency (and when it is not). When a currency is not exchangeable, a company needs to estimate a spot rate. The company's objective when estimating a spot rate is that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2025 with early adoption permitted. These amendments have not yet been endorsed by the EU.

Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7, issued on 30 May 2024, will address diversity in accounting practice by making the requirements more understandable and consistent. The amendments include:

- Clarifications on the classification of financial assets with environmental, social and corporate governance (ESG) and similar features—ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed;

- Clarifications on the date on which a financial asset or financial liability is derecognised. The IASB also decided to develop an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met. The International Accounting Standards Board has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments have not yet been endorsed by the EU.

Annual Improvements Volume 11, issued on 18 July 2024, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS7 Statement of Cash Flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with early adoption permitted. These amendments have not been endorsed by the EU.

IFRS 18 Presentation and Disclosure in Financial Statements, issued on 9 April 2024, will replace IAS 1 Presentation of Financial Statements. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present newly defined operating profit subtotal. Entities' net profit will not change;
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements;
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. The standard has not yet been endorsed by the EU.

IFRS 19 Subsidiaries without Public Accountability: Disclosures, issued on 9 May 2024, will allow eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. A subsidiary will be to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

The standard is effective for annual reporting periods beginning on or after 1 January 2027 with early adoption permitted. The standard has not yet been endorsed by the EU.

3. CONSOLIDATION

3.1. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of

- the acquisition-date fair values of the assets transferred by Belfius;
- the liabilities incurred by Belfius to former owners of the acquiree; and

- the equity interests issued by Belfius in exchange for control of the acquiree.

Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Non-controlling interests may be initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. The equity and net income attributable to the non-controlling interests are shown separately in the balance sheet and statement of income respectively.

When a business combination is achieved in stages, equity interests held previously by Belfius in the acquiree are remeasured to fair value at the acquisition date (i.e. the date on which Belfius obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.2. Subsidiaries

Subsidiaries are those entities over which Belfius has, either directly or indirectly, control. Belfius controls an entity when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated as from the date on which effective control is transferred to Belfius and are no longer consolidated as from the date on which control is lost. Intercompany transactions and balances, and gains and losses on transactions between consolidated companies of Belfius are eliminated. Where necessary, the accounting policies of the subsidiaries are aligned to ensure consistency with the policies adopted by Belfius.

When Belfius loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

3.3. Jointly controlled entities and associates

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement. Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method.

Associates are investments in which Belfius has significant influence but does not exercise control. This is usually the case when Belfius owns between 20% and 50% of the voting rights. Investments in associates are initially measured at cost and accounted for using the equity method.

Following the equity method, the ownership share of net income for the year is recognised as income of joint ventures and associates, whereas the share in other comprehensive income of joint ventures and associates is carried on a separate line of the statement of comprehensive income. The investment is recorded in the balance sheet at an amount that reflects Belfius' share of the net assets of joint ventures and associates increased with related goodwill.

Gains and losses on transactions between Belfius and its "equity method investments" are eliminated to the extent of the interest therein of Belfius. The recognition of losses from joint ventures and associates is discontinued when the carrying amount of the investment reaches zero, unless Belfius has incurred or guaranteed legal or constructive obligations on behalf of the associate or joint venture. If required, the accounting policies of the joint ventures and associates are aligned to ensure consistency with the policies adopted by Belfius.

3.4. Structured entities

A structured entity is an entity whose activities are not governed by way of voting rights. These entities generally finance the purchase of assets by issuing debt and equity securities that are collateralised by assets held by the structured entities. The debt and equity securities issued by the structured entities may include tranches with varying levels of subordination. In assessing whether Belfius has power over such investees in which it has an interest, Belfius considers factors such as the purpose and design of the investee, its practical ability to direct the relevant activities of the investee, the nature of its relationship with the investee and the size of its exposure to the variability of returns of the investee.

4. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are offset (and, consequently, only the net amount is reported) when Belfius has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives that meet both criteria are offset in the balance sheet.

5. FOREIGN CURRENCY TRANSACTIONS

For individual Belfius entities, foreign currency transactions are accounted for using the appropriate exchange rate at the date of the transaction. Outstanding balances of monetary and non-monetary items carried at fair value and denominated in foreign currencies are translated using the applicable exchange rates at the end of the reporting period. Historical rates are used for non-monetary items carried at cost and such items are not subsequently remeasured for changes in exchange rates. The exchange differences for non-monetary items carried at fair value are governed by the same accounting treatment as for fair value adjustments. Exchange differences for monetary items are recorded in the consolidated statement of income.

6. FINANCIAL INSTRUMENTS

6.1. Recognition and initial measurement

At initial recognition, judgement can be required in determining the appropriate classification of the financial instruments. Debt and equity instruments issued by a Belfius Group entity are classified as a financial liability or as an equity instrument in accordance with the substance of the contractual arrangement rather than the legal form of the instrument and the definitions of financial liability and equity instrument.

Regular way purchases of financial assets are recognised on settlement date, which is the date of delivery to Belfius. Financial assets (other than regular way purchases) and financial liabilities are recognised in the Belfius Group's balance sheet when the Belfius Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities that are not measured at fair value through profit or loss are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities. Transaction costs for financial assets and liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Although the transaction price is the best evidence of fair value for all financial instruments, a day one profit or loss may be applicable.

The day one profit or loss is the difference between:

- the transaction price and the quoted price in an active market for a financial instrument; or
- the transaction price and the fair value determined by using a valuation technique (mark-to-model), if the instrument is not quoted.

If all the inputs of the model are observable, the day one profit or loss will be recognised immediately in the statement of income.

If all inputs of the model are not observable, the day one profit or loss will be amortised over the expected life of the instrument, where this is appropriate. However, if the data subsequently becomes observable, the remaining portion of day one profit or loss will be recognised in the statement of income.

In cases of early termination of the underlying instrument, the remaining portion of day one profit or loss will be recognised in the statement of income.

6.2. Classification and subsequent measurement of financial assets (IFRS 9)

6.2.1. General

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 asset's contractual cash flow characteristics (referred to as the Solely Payments of Principal and Interest test – SPPI test).

The following business models are available for managing financial assets:

- Hold to collect contractual cash flows;
- Hold to collect contractual cash flows and sell;
- Other, such as trading and management of assets on a fair value basis.

IFRS 9 introduces the following categories for the measurement of debt instruments. The methods for the measurements are:

- Fair value through other comprehensive income (FVTOCI) – financial assets will be classified into this category if the assets meet the SPPI test and the business model is to hold the assets to collect contractual cash flows and to sell the assets;
- Amortised cost – financial assets will be classified into this category if the assets meet the SPPI test and the business model is to only hold the assets to collect contractual cash flows;
- Fair value through profit or loss – financial assets that do not fall within the two categories mentioned above will be measured at fair value through profit or loss. Debt instruments that meet the amortised cost or FVTOCI criteria can be irrevocably designated at fair value through profit or loss if it eliminates, or significantly reduces, an accounting mismatch in profit or loss.

Investments in equity instruments are classified at fair value through profit or loss because they do not meet the SPPI test. However, IFRS 9 allows an entity to make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of this Standard that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Dividends from investments in equity instruments are always recognised in profit or loss unless the dividend clearly represents a recovery of the cost of the investment.

6.2.2. Financial assets measured at amortised cost (AC)

Debt instruments (including hybrid contracts) that are held within a business model "hold to collect contractual cash flows" and with contractual cash flows that are SPPI compliant and for which Belfius has not elected the fair value option, are subsequently measured at amortised cost.

This category includes debt instruments with the objective of holding these debt instruments until maturity and generating a stable interest margin. When loans are sold to a securitisation vehicle that is consolidated, this does not preclude their classification as hold to collect.

Sales are not an integral part of the "hold to collect contractual cash flows" business model but may be consistent with this business model if sales are close to maturity, sales are due to an increase in credit risk or sales are not significant (even if frequent) or infrequent (even if significant). Judgement should be applied to determine whether the sales are consistent with a "hold to collect contractual cash flows" business model.

Amortised cost is the amount at which the debt instruments are measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount using the effective interest method (cf. section 6.9. Interest income and expense), and adjusted for any impairment for expected credit losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss when they arise. Any gain or loss on derecognition is recognised in profit or loss.

6.2.3. Financial assets measured at fair value through other comprehensive income (FVTOCI)

This category includes debt instruments and investments in equity instruments.

Debt instruments measured at fair value through other comprehensive income

Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt instruments and whose contractual cash flows are SPPI compliant, are subsequently measured at fair value through other comprehensive income on the condition that Belfius has not elected the conditional fair value option.

Debt instruments included in funds with dedicated assets (segregated funds) or for which flexibility is required to face potential surrenders of life insurance contracts, investment opportunities or kept facing potential liquidity needs are included in this category.

Movements in the carrying amount representing unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income under the line item XVIII. ”Gains and losses not recognised in the statement of income - Fair value changes of debt instruments measured at fair value through other comprehensive income”.

When the debt instrument is disposed of Belfius recycles the cumulative gain or loss previously recognised in other comprehensive income to the line item VI. “Net income on investments and liabilities” in the statement of income.

Interest revenue and impairment are recognised in profit or loss. Foreign exchange gains and losses on debt instruments measured at FVTOCI that are part of an effective currency risk designated hedging relationship are recognised in other comprehensive income; otherwise, they are recognised in profit or loss. Interest income is recognised using the effective interest method similar to financial assets measured at amortised cost.

Investments in equity instruments measured at fair value through other comprehensive income

Are included in this category, equity instruments that meet the IAS 32 definition and that are neither held for trading nor representing contingent consideration recognised by an acquirer in a business combination, and for which Belfius at initial recognition irrevocably on an instrument-by-instrument basis has elected to measure them at FVTOCI.

Subsequent changes in fair value, foreign exchange gains and losses and realised gains and losses are presented in other comprehensive income under the line item XIX. “Fair value changes of equity instruments measured at fair value through other comprehensive income”. On derecognition, the cumulative gains or losses previously recognised in other comprehensive income as mentioned above, are not subsequently reclassified to the statement of income but are transferred within equity to the line item XVI. “Reserves and retained earnings”.

Fair value measurement is required for all equity instruments, even if those instruments are not quoted in an active market. Acquisition cost as appropriate estimate of fair value is only admitted in limited circumstances (cf. section 6.7 Fair value of financial instruments).

Dividends are recognised in the statement of income when the right to receive payment of these dividends is established, it is probable that the economic benefits associated with the dividends will flow to Belfius and the amount of the dividends can be measured reliably. If a dividend represents a return of investments, it will be accounted as a reduction of the acquisition cost.

6.2.4. Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets subsequently measured at fair value through profit or loss consist of debt instruments, investments in equity instruments and Unit Linked (B23) products. Non hedging derivatives are treated in section 6.6.1.A Derivatives – Trading portfolio, including embedded derivatives.

Debt instruments held for trading

Debt instruments held for trading are intended to generate a profit from short-term fluctuations in price or dealer’s margins or are included in a portfolio in which a pattern of short-term profit taking exists. Belfius initially recognises these instruments at their fair value and subsequently remeasures them at fair value, with unrealised and realised gains and losses recorded in the statement of income under the line item IX. “Net income from financial instruments at fair value through profit or loss”. Interest income and interest expense (negative yield) are accrued using the effective interest rate method and Belfius opted to record these under the line item I. “Interest income” and II. “Interest expense”.

Debt instruments and Unit Linked (B23) designated at fair value through profit or loss, referred to as fair value option (FVO)

In some cases and if appropriately documented, Belfius can at initial recognition irrevocably designate debt instruments that meet the business model hold to collect and/or hold to collect and sell criteria and that give rise to cash flows that are SPPI compliant at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch.

The valuation rules as mentioned under paragraph “Debt instruments held for trading” apply to this category.

Debt instruments measured at fair value through profit or loss (non-basic instruments)
This category includes debt instruments with contractual cash flows that are not SPPI compliant such as some structured loans as well as financial assets with a legal form of equity but, based on the substance of the contract, meet the definition of a debt instrument (such as open-end funds, shares with legal end date, real estate certificates).

The valuation rules as mentioned under paragraph "Debt instruments held for trading" apply to this category.

Investments in equity instruments measured at fair value through profit or loss
This category includes investments in equity instruments held for trading as well as non-trading investments in equity instruments that at initial recognition were not irrevocably elected to be designated at fair value through other comprehensive income.

Gains and losses due to remeasurement to fair value (realised and unrealised) and foreign exchange gains and losses are recognised in the statement of income under the line item IX. "Net income from financial instruments at fair value through profit or loss".

Dividends are recognised in the statement of income under the line item VII "Dividend income" unless the dividend clearly represents a recovery of part of the cost of the investment.

6.3. Classification and subsequent measurement of financial liabilities

6.3.1. Financial liabilities measured at amortised cost (AC)
These liabilities are subsequently measured at amortised cost and any difference between their amount made available and the amount due at maturity is recognised in the statement of income as interest expense or interest income. The accretion or amortisation of this difference is recognised over the remaining duration of the liabilities using the effective interest rate method.

6.3.2. Financial liabilities measured at fair value through profit or loss (FVTPL)
Financial liabilities are measured at FVTPL when, at initial recognition, the liability is either held for trading or at initial recognition irrevocably designated at FVTPL.

Financial liabilities held for trading
This section does not deal with trading derivatives that are described in section 6.6.1 below.

Financial liabilities held for trading includes short positions in securities. These instruments are intended to generate a profit from short-term fluctuations in price or dealer's margins or are included in a portfolio in which a pattern of short-term profit taking exists. Belfius initially recognises these instruments at their fair value and subsequently remeasures them at fair value, with unrealised and realised gains and losses recorded in the statement of income under the line item "Net income from financial instruments at fair value through profit or loss".

Financial liabilities and Unit Linked contracts (B23) designated at fair value through profit or loss
A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may upon initial recognition be designated at fair value through profit or loss in the following circumstances:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a Belfius Group of financial assets, financial liabilities or both that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- The financial liability contains one or more embedded derivatives and IFRS 9 permits the entire hybrid (combined) contract to be designated at FVTPL.

The valuation rules applicable for financial liabilities held for trading apply except for the recognition of own credit risk.

6.4. Derecognition and modification of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the asset's cash flows expire or when substantially all the risks and rewards of ownership of the asset are transferred to another entity.

Regular way sales that meet the above derecognition criteria of financial assets are derecognised on settlement date, which is the date of delivery by Belfius. Financial liabilities are derecognised when they are extinguished (i.e when the obligation specified in the contract is discharged, cancelled or expires).

If a substantial modification of a financial asset or a financial liability (including an exchange of debt instruments with substantially different terms) occurs and the contractual terms governing the cash flows are renegotiated, the financial asset or financial liability is derecognised. If a modification occurs and the existing contract is not derecognised, a modification gain or loss is recognised in the statement of income. This gain or loss is determined by recalculating the gross carrying amount of the existing financial instrument as the present value of the renegotiated or modified contractual cash flows, using the financial instrument's original effective interest rate.

For modified financial assets that are not derecognised, an assessment is made to determine whether there has been a significant increase in the credit risk of the financial asset, by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Depending on the outcome of the assessment, a change in loss allowance may be recorded (cf. section 6.5 on impairment of financial instruments).

6.5. Impairment of financial instruments

Impairment determination and calculation is governed by the Credit risk impairment guidelines of the Risk department and more details are available in the section "Risk management - IFRS 9 Impairment methodology" of the Management Report of the consolidated financial statements.

6.5.1. Determination of the impairment

Expected credit losses (ECL) associated with debt instruments carried at amortised cost and debt instruments measured at fair value through other comprehensive income are determined on a forward-looking basis. For lease receivables, Belfius has not opted to apply the simplified approach of recognising lifetime expected losses. Loan commitments and financial guarantees not measured at fair value through profit or loss are also subject to impairment and the loss allowance is recognised as a provision.

Loss allowances and provisions for 12-month expected credit losses are initially recognised on trade date for financial assets in scope of impairment (debt instruments, lease receivables and contract assets), loan commitments and financial guarantees not measured at fair value through profit or loss.

12-month expected credit losses relates to the portion of lifetime expected credit losses that represent the expected credit losses resulting from default events that are possible within the 12 months after the reporting date.

The default committee within the Risk department is competent to define the default status.

A transversal default definition is applied within the entire Belfius Group and on all market segments. However for a limited number of specific segments (for example sovereigns, banks, international corporates…) some deviation have been applied. The Belfius Default guideline provides in-depth description of indicators used to categorise an exposure in default.

The amount of expected credit losses is measured through a loss allowance at an amount equal to either a12-month ECL or a lifetime ECL. Lifetime ECL are the losses that result from all possible default events over the expected life of the financial asset.

Expected credit losses are a probability-weighted estimation of expected cash shortfalls discounted at the original effective interest rate of the financial asset. Expected cash shortfall is the difference between the cash flows due under the contract and the cash flows expected to be received, taking into consideration the value of collateral and other credit enhancements.

The estimation of cash flows considers all contractual terms of the financial asset (such as prepayment, extension, call and similar options) through its expected life.

Impairment calculation is based on a two-fold building block approach::

- Block 1: determination of the appropriate stage per exposure;
- Block 2: calculation of the expected credit losses per exposure for stages 1, 2 and 3.

The following credit exposures are distinguished and all exposures are individually assessed:

- Performing credit exposures i.e. exposures for which there has not been a significant increase in credit risk since origination (stage 1);
- Under-performing credit exposures i.e. exposures for which there has been a significant increase in credit risk between the moment Belfius originated or purchased the financial asset and the reporting date (stage 2);
- Non-performing credit exposures i.e. exposures that become credit impaired (stage 3).

A change of the classification into stages can go in both directions.

Performing credit exposures – Classification Stage 1
All exposures not classified in stage 2 (significant increase of credit risk since origination) or stage 3 (occurrence of impairment) are by definition classified in stage 1. For these exposures, Belfius recognises at initial measurement a 12-month expected credit loss, i.e. the expected credit loss that results from those default events on the financial instrument that are possible within 12 months after the reporting date.

Under-performing credit exposures – Classification Stage 2
Exposures for which there has been a significant increase in credit risk between origination or purchase of the financial asset and reporting date are classified in stage 2.

A significant increase in credit risk for an individual exposure of a counterpart is based on the following quantitative and qualitative factors:

- A significant deterioration of the lifetime probability of default (lifetime PD) of the counterpart; and
- The fact that the customer to whom the individual exposure belongs is put by Belfius on its Watchlist, the list that identifies counterparties where problems might arise (or have arisen). There is however one exception: a new contract may be classified in Stage 1 if, when originating the contract, the customer already figures on the Watchlist and that since then there is no new significant increase in credit risk for this contract.

In two situations, there will be a mandatory classification on the Watchlist:

- If one or more credit products of the counterpart was accorded a “Forbearance flag”, forbearance being a new, additional concession or the prolongation of an existing concession; or
- If an exposure is overdue for more than 30 days, unless one can clearly prove that it concerns an operational past due or that the overdue is not a sign of a significant increase of credit risk since initial recognition.

In assessing whether a significant deterioration of the lifetime PD occurred since origination, a comparison is made between lifetime PDs at the date of origination with lifetime PDs at reporting date. Details are available in the section “Risk management - IFRS 9 Impairment methodology” of the Management report of the consolidated financial statements.

Non-performing credit exposure - Classification at Stage 3
At each reporting date, the Default Committee assesses whether there is objective evidence that a financial asset or a Belfius group of financial assets is impaired/defaulted. If affirmative, these financial assets are considered as credit-impaired and are transferred to Stage 3 and a lifetime expected loss is recognised.

The expected credit losses are measured as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

An impaired/defaulted status is attributed to debtors that satisfy either one or both of the following criteria:

- The debtor has material exposures which are more than 90 days past due; or

- The debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless the existence of any past due amount or the number of days past due.

6.5.2. Accounting treatment of impairments

Debt instruments carried at amortised cost and lease receivables

At each reporting date, changes in the amount of impairment losses are recognised in the statement of income under the line item XVII. "Impairment on financial instruments and provisions for credit commitments". Impairment losses are reversed through the same line item of the statement of income. The impairment loss is recorded as a deduction of the gross carrying amount of the asset (allowance) in the balance sheet (statement of financial position).

Debt instruments measured at fair value through other comprehensive income

Debt instruments measured at fair value through other comprehensive income are governed by the same accounting principles in respect of impairment applicable to debt instruments measured at amortised cost.

However, the loss allowance shall be recognised in other comprehensive income as part of the revaluation amount in the line item XVIII. "Fair value changes of debt instruments measured at fair value through other comprehensive income" and shall not reduce the carrying amount (i.e. fair value) of the financial asset in the balance sheet (statement of financial position).

Write-offs

When Belfius has no reasonable expectation of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof, the financial asset is written off. Exposures in stage 1 and 2 are always transferred to stage 3 before being written off.

A write-off constitutes a derecognition event and the stock of loss allowance is not reversed but used against the reduction of the gross carrying amount of the instrument written off. Any additional loss is reported in the statement of income in the line item XVII. "Impairment on financial instruments and provisions for credit commitments".

A financial asset that is written-off but still subject to enforcement activity must comply with specific criteria. Quantitative information for these specific assets is included in the disclosures.

Loan commitments and financial guarantees not measured at fair value through profit or loss

Off-balance-sheet exposures such as credit substitutes (e.g. guarantees and standby letters of credit) and loan commitments are usually converted into on-balance-sheet items when called. However, these off-balance-sheet exposures are subject to 12-month or lifetime expected losses. The expected loss is recognised as a provision in the balance sheet and the date that Belfius becomes a party to the irrevocable commitment is considered as the date of initial recognition for applying the impairment requirements.

Loan commitments

At the end of each reporting period a provision based on 12-month expected losses calculated on the expected portion of the loan commitment to be drawn down within the next 12 months is recognised. In case of a significant increase in the risk of default of the underlying loan, lifetime expected credit losses are recognised on the expected portion to be drawn down over the remaining life of the loan commitment.

The expected credit loss is the present value of the difference between the contractual cash flows if the holder of the loan commitment draws down the loan and the cash flows that are expected to be received if the loan is drawn down. The remaining life of the loan commitment is the maximum contractual period during which there is an exposure to credit risk. In case of arrangements that include both a loan and an undrawn commitment component (such as credit cards), the period for estimating expected credit losses is beyond the contractual date on which repayment could be demanded but the period over which the lender is exposed to credit risk. In practice, the expected loss horizon is a minimum of 1 year and credit risk mitigations could be additional guarantees or reducing the loan commitment.

Financial guarantees

For financial guarantee contracts changes in the risk that the specified debtor will default on the contract are considered. At each reporting period, the amount of the loss allowance equals the 12-month expected credit loss unless there has been a significant increase in the risk of default, in which case the loss allowance is calculated for lifetime expected credit losses. Expected losses reflect the cash shortfalls equal to the difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that are expected to be received from the holder, the debtor or any other party.

6.6. Derivatives

6.6.1. Derivatives – Trading portfolio, including embedded derivatives

When a derivative is not designated in a hedge relationship, it is deemed to be held for trading and Belfius initially and subsequently measures all derivatives at the fair value obtained from quoted market prices, discounted cash-flow models or pricing models, as appropriate. All changes in fair value are recognised in the statement of income.

The interest results of derivatives for which there is an economic hedge relationship are recognised in interest income/interest expense.

Derivatives are reported as assets when their fair value is positive and as liabilities when their fair value is negative.

When a hybrid contract contains a host that is a financial asset in the scope of IFRS 9, the entire hybrid contract, including all embedded features, is assessed for classification. However, if the host contract is a financial liability, a lease receivable, an insurance contract or another non-financial host contract an assessment is made to determine whether the embedded feature requires separation and should be presented as a separate derivative in trading.

This is the case when:

- Risks and characteristics of the embedded features are not closely related to those of the host contract;
- The hybrid contract is not carried at fair value with unrealised gains and losses reported in the statement of income and;
- A separate instrument with the same terms as the embedded feature would meet the definition of a derivative.

6.6.2. Derivatives – Hedging

As the development of the new macro hedge accounting model (cf. “Accounting for dynamic risk management activities”) is still in progress, the IASB provided all entities including those that engage in portfolio hedge accounting of interest rate risk with the following accounting policy options until the IASB Research project “Dynamic Risk Management” is completed.

- Option 1: Apply the new hedge accounting requirements of IFRS 9 and continue to use the IAS 39 model for interest-rate portfolio fair value hedging.
- Option 2: Continue to apply the existing hedge accounting requirements in IAS 39, including the IAS 39 interest-rate portfolio fair value hedge model.

In both cases, the use of the IAS 39 interest-rate portfolio hedging model is subject to expanded disclosure requirements.

Belfius has opted to continue to apply the existing hedge accounting requirements of IAS 39 and the “carve-out” conditions applicable to interest-rate portfolio hedging as endorsed by the European Commission.

Hedging derivatives are categorised as either:

- A hedge of the fair value of a recognised asset or liability or a firm commitment (fair value hedge) or a fair value hedge of the interest rate risk exposure of a portfolio (cf. section 6.6.3); or
- A hedge of a future cash flow attributable to a recognised asset or liability or a forecast transaction (cash-flow hedge).

Derivatives are designated as hedging instruments if certain criteria are met:

- Formal documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship is available before hedge accounting is applied;

- The hedge is documented in such a way as to show that it is expected to be highly effective (within a range of 80% to 125%) in offsetting changes in the fair value or cash flows attributable to the hedged risk in the hedged position throughout the reporting period; and
- The hedge is effective at inception and on an ongoing basis.

Belfius records changes in the fair value of derivatives that are designated and qualify as fair value hedges in the statement of income, along with the corresponding change in fair value of the hedged assets or liabilities that is attributable to the specific hedged risk. If relevant, the interest accruals of the designated hedging instruments are recognised in line item I. “Interest income” or II. “Interest expense”.

If the hedge no longer meets the criteria for a fair value hedge or if the hedge is voluntarily discontinued, the adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortised to the statement of income over the remaining life of the hedged position (or the hedging instrument if shorter) by an adjustment of the yield of the hedged item.

The effective part of the changes in the fair value of derivatives that are designated and qualify as cash-flow hedges, is recognised in “Other comprehensive income” under the item XXI. “Fair value changes of derivatives following cash flow hedging” (see ”Consolidated statement of changes in shareholders’ equity”). The ineffective portion of the change in the fair value of the hedging instrument (if any) is recognised directly in the statement of income. The amount recognised in other comprehensive income should be the lower in absolute value of the cumulative gain or loss on the hedging instrument from the inception of the hedge, and the cumulative change in the fair value (present value) of the expected cash flows on the hedged item from the inception of the hedge.

Amounts deferred in equity are transferred to the statement of income in the periods during which the hedged item affects the statement of income.

6.6.3. Fair value hedge of the interest-rate risk exposure of a portfolio

As mentioned in section 1.1 General, Belfius makes use of the IAS 39 provisions for portfolio fair value hedges of interest rate risk as endorsed by the European Commission (cf. EU carve-out) because it better reflects the way financial instruments are managed.

Awaiting the completion of the IASB Research project “Dynamic Risk Management”, Belfius continues to apply the current carve-out provisions.

The hedging instruments are a portfolio of derivatives, which may contain offsetting positions. Belfius recognises the hedging items at fair value with any changes in fair value accounted for in the statement of income. The hedged items include financial assets and liabilities at amortised cost and debt instruments measured at fair value through other comprehensive income.

The hedged interest-rate risk revaluation of elements carried at amortised cost is reported on the balance sheet under the line item VI. “Gain/loss on the hedged item in portfolio hedge of interest rate risk” whereas the hedged interest-rate risk revaluation of elements carried at FVTOCI is included in the line items II.B “Loans and advances due from credit institutions - Measured at fair value through other comprehensive income”, III.B. “Loans and advances - Measured at fair value through other comprehensive income”, and IV.B “Debt securities & equity instruments - Measured at fair value through other comprehensive income”.

6.7. Fair value of financial instruments

6.7.1. General principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Quoted market prices in an organised market (such as a recognised stock exchange) are to be used as fair value, as they are the best evidence of the fair value of a financial instrument. Quoted market prices are not available for all financial assets and liabilities held or issued by Belfius.

If a financial instrument is not traded on an active market, recourse is provided by valuation models. A valuation model reflects the transaction price on the measurement date in an arm’s length exchange under normal business considerations, i.e. the price that would be received by the holder of the financial asset in an orderly transaction that is not a forced liquidation or forced sale or the price to transfer the liability.

The valuation model takes into account all factors that market participants consider when pricing the financial instrument. Measuring the fair value of a financial instrument requires consideration of current market conditions. To the extent that observable inputs are available, they are incorporated into the model.

Only in very exceptional circumstances (i.e where no relevant information is available about the performance and operations of the investee) cost will be used for the fair value valuation of investments in unquoted equity instruments.

6.7.2. Specific rules

The specific rules and approaches used for the determination of fair value of financial instruments are summarised in note 9.1. "Fair value".

6.8. Sale and repurchase agreements and lending of securities

Securities sold subject to a linked repurchase agreement ("repos") are not derecognised and remain on the balance sheet. The corresponding liability is recorded under the line items II.A "Credit institutions borrowings and deposits - Measured at amortised cost" or III.A "Borrowings and deposits - Measured at amortised cost", as appropriate. The asset is included as "pledged" in the supporting notes to the financial statements.

Securities purchased under agreements to resell ("reverse repos") are recorded as off-balance-sheet items and the corresponding loans are recorded in line items II.A "Loans and advances due from credit institutions - Measured at amortised cost " or III.A "Loans and advances - Measured at amortised cost".

The difference between the sale and repurchase price is treated as interest income or expense and is accrued over the life of the agreements using the effective interest rate method.

Securities lent to counterparties are not derecognised. Securities borrowed are not recognised in the balance sheet. Fees related to securities lending and borrowing are recorded within the line items VIII. "Fee and commission income" and IV. "Fee and commission expense".

6.9. Interest income and expense

Interest income and expense are recognised on an accrual basis in the statement of income for all interest bearing instruments using the effective interest rate method (transaction costs included). Transaction costs for financial assets and liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Negative interests on these instruments are presented as a separate item within interest expense (interest expense on financial assets) or within interest income (interest income on financial liabilities). Accrued interest is reported in the balance sheet in the same line item as the related financial asset or liability.

The following fees are an integral part of the effective interest rate of a financial instrument with a defined duration:

- Origination fees received relating to the creation or acquisition of a financial asset;
- Commitment fees received to originate a loan when the loan commitment is not measured at fair value through profit or loss and it is probable that Belfius will enter into a specific lending arrangement. If the commitment expires without granting the loan, the fee is recognised as revenue on expiry; and
- Origination fees paid on issuing financial liabilities measured at amortised cost.

The underlying basis for calculating the effective interest depends on the status of the financial instrument:

- The gross carrying amount (amortised cost before deducting any expected loss allowances) for non-credit impaired financial assets (stage 1 and 2) or the amortised cost for financial liabilities; or
- The net carrying amount (gross carrying amount less expected loss allowances) for credit-impaired financial assets (stage 3).

Interest results of trading derivatives are recognised in the line item IX. "Net income from financial instruments at fair value through profit or loss", whereas interest results on all other derivatives are recognised in the line items I. "Interest income" or II. "Interest expense". For interest bearing held for trading bonds, Belfius opted to record interest results under the line item I. "Interest income" and II. "Interest expense".

6.10. Financial guarantees

A financial guarantee contract is defined as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

At transaction date, financial guarantees are recorded in the off-balance sheet accounts and the paid or received premium is recognised in the accrual accounts.

The paid or received premium is recognised respectively as commission charges or commission income in accordance with the principles of IFRS 15.

7. FEE AND COMMISSION INCOME AND EXPENSE

According to IFRS 15 “Revenue from Contracts with Customers” revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which Belfius expects to be entitled in exchange for those goods or services. This is applied on an individual contract basis, but a portfolio approach is permitted if the impact on the financial statements will not be materially different from application on an individual contract basis.

Revenue recognition is governed by the following five step model:

- Identification of the contract;
- Identification of separate performance obligations;
- Determination of the transaction price;
- Allocation of the transaction price to performance obligations; and
- Recognition of revenue as of when each performance obligation is satisfied.

A performance obligation is satisfied when the bank transfers control of the services underlying the performance obligation to the customer. Revenue can be recognised either “over time” based upon performance completed to date, milestones reached, recurring services or “at a point in time” when the bank transfers control of the asset to the customer.

For contracts for which Belfius is acting as agent, revenue will be recognised as a net amount of consideration instead of gross amounts of relevant revenue and expenses.

Fees that are not an integral part of the effective interest rate of a financial instrument are accounted for in accordance with IFRS 15. These include:

- Fees charged for servicing a loan;
- Commitment fees to originate a loan when the loan commitment is not measured at fair value through profit or loss and it is unlikely that a specific lending arrangement will be entered into; and
- Loan syndication fees received by the bank for arranging a loan and retaining no part of the loan package for itself (or retaining a part at the same effective interest rate for comparable risk as other participants).

The commissions paid by Belfius Insurance to Belfius Bank for the sale of insurance products are, respectively, recorded in insurance service result and the fee in commission income. A separate presentation better reflects the profitability of the business .

8. INSURANCE AND REINSURANCE ACTIVITIES

8.1 Scope

Belfius applies IFRS 17 to contracts that meet the definition of an insurance contract, as follows:

- insurance or reinsurance contracts that it issues; and
- reinsurance contracts that it holds.

An insurance contract is a contract under which Belfius accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

In order to qualify as an insurance contract, the associated insurance risk must be significant. Whether insurance risk is significant, is assessed at initial recognition of each individual contract on a present value basis

Investment contracts with discretionary participating features ("DPF") do not meet the definition of an insurance contract but are accounted for under IFRS 17 if the entity also issues insurance contracts.

At Belfius, the requirements of IFRS 17 are applied to the following type of contracts:

- Non-Life insurance contracts;
- Reinsurance contracts (accepted and ceded);
- Life insurance contracts; and
- Investment contracts with DPF.

Investment contracts without discretionary participating features and unit-linked contracts (without significant insurance risk) are accounted for according to IFRS 9.

Fixed fee service contracts (e.g. road assistance contracts), credit cards including certain covers issued by a Belfius entity and some credit-related financial guarantee contracts and credit insurance contracts that meet the definition of an insurance contract will not be accounted for under IFRS 17 but under IFRS 15 (policy choice).

In applying an IFRIC's decision, Belfius considers premium receivables from an intermediary as a separate financial asset applying IFRS 9 (and not as a future cash flow within the boundary of an insurance contract included in the measurement of insurance contracts applying IFRS 17.

8.2 Level of aggregation

IFRS 17 calculations are done on an aggregated level by grouping insurance contracts, taking into account:

- portfolios of insurance contracts;
- the year of issuance of the insurance contracts (cohorts); and
- the profitability of groups of contracts.

Portfolios

Groups of contracts are determined by first identifying portfolios of contracts, comprising contracts subject to similar risks and managed together.

Based upon these factors, Belfius defined the following portfolio's:

Life
- Managed together: Belfius Insurance, Belfius Direct Insurance and segregated accounts;
- Similar risk: insurance, investment short term, investment long term and endowment.

Non-Life
- Managed together: Belfius Insurance and Belfius Direct Insurance;
- Similar risk, based upon covered risk: Property, Mobility, Accidents, Workers' Compensation, Legal Expenses, Assistance, General Liability – Family, General Liability – Non-Family, Credit and Suretyship.

Health
- Managed together: Belfius Insurance and Belfius Direct Insurance;
- Similar risk: Individual/Hospitalisation, Individual/ Guaranteed income, Collective/Hospitalisation, Collective / Guaranteed income.

Reinsurance
- Managed together: Belfius Insurance and Belfius Direct Insurance;
- Similar risk: each group comprises a single contract. Multiline treaties will be grouped by underlying risk.

Annual cohorts

Belfius applies annual cohorts, i.e. time bucket of contracts issued in the same year, aligned with the start and end of the financial year. Belfius will not apply the European optional exemption from the annual cohort requirement.

Portfolio's by profitability
At initial recognition, contracts are identified as onerous, contracts that have no significant possibility of becoming onerous subsequently and remaining contracts (possibility of becoming onerous). Belfius has reasonable and supportable information to conclude that sets of contracts are in the same group. Therefore, sets of contracts are assessed to determine to which profitability group they belong.

8.3 Recognition and derecognition
A group of insurance contracts issued is recognised from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group is due; and
- for a group of onerous contracts, when the group becomes onerous.

If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received. A group of reinsurance contracts held is recognised from the earlier of the following:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date the entity recognises an onerous group of underlying insurance contracts, if the entity entered into the related ceded reinsurance contract in the group of reinsurance contracts held at or before that date.

The recognition of a group of reinsurance contracts held that provide proportionate coverage is delayed until the date that any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

An insurance contracts is derecognised from the balance sheet when:

- it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires; or
- the terms of the contract are modified and certain conditions for derecognition are fulfilled.

8.4 Measurement
IFRS 17 introduces different measurement models. The insurance liabilities represent all rights and obligations arising from insurance contracts issued in a group and consist of two components:

- a Liability for Remaining Coverage (LRC); and
- a Liability for Incurred Claims (LIC).

The general measurement model is applied to Life contracts, investment contracts with discretionary participation features as well as to Health/Individual contracts.

The premium allocation approach is applied to Non-Life contracts, Health/Collective contracts and reinsurance contracts held.

Belfius opted for a year-to-date approach, i.e. recalculation of previously reported quarters, with the impact of the recalculation included in the current period.

8.4.1 Variable Fee Approach (VFA)
VFA, a specific measurement approach for insurance contracts with direct participation features, is not applied since Belfius does not sell this type of product.

8.4.2 General Measurement Model (GMM)

Liabilities for remaining coverage
IFRS 17 introduces a general model that recognises and measures the LRC for a group of contracts based on:

- the cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks;
- a risk adjustment for non-financial risk; and
- the contractual service margin ("CSM"), representing the unearned profit that is released from the balance sheet in profit or loss over the contract duration for services provided (unless onerous; see below)

To ensure consistency, the cash flow projections are based on Solvency II cash flows with the following adjustments:

- expenses are split into directly attributable costs and not directly attributable costs. Directly attributable costs are expenses directly related to insurance contracts. Only these directly attributable costs are included in the estimation of expected future cash flows; and
- cash flows are within the contract boundary if they arise from rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide services.

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

The CSM represents the unearned profit Belfius will recognise as it provides insurance contract services under the insurance contracts in the group. The CSM is recognised on the balance sheet as part of the LRC at initial recognition and is released gradually over time, on the basis of services provided in the period, and should be zero at the end of the coverage period for a group of contracts. The CSM is adjusted subsequently only for changes in cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided.

The CSM of a group of contracts is recognised in profit or loss by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years. The coverage units will be discounted, reviewed and updated at each reporting date. The determination of the coverage units is based on the following parameters:

- risk capital for products with insurance risk; and
- mathematical reserves for saving products.

If the total cash flow is a net outflow, then the group is onerous and the net outflow is recognised as a loss in profit or loss. A loss component (LC) is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are excluded from insurance revenue.

In order to determine the CSM or LC at transition, Belfius applied the full retrospective approach (other contracts in the notes) for groups of insurance contracts related to underwriting years as from (and including) 2018. For groups of insurance contracts related to older underwriting years, the full retrospective approach was considered impracticable due to lack of historical data (e.g. due to system migrations) or undue cost or effort to obtain the data, and/or use of hindsight. As a result, Belfius chose to apply for these underwriting years the fair value approach.

Liability for incurred claims and expenses

The LIC is measured separately and is recognised at the amount of the cash flows relating to incurred claims, direct and indirect claim costs. As claims on Life insurance contracts are expected to be settled within one year, the LIC will not be discounted for the time value of money.

Expenses directly related to insurance contracts that are included in the estimation of expected future cash flows are presented as insurance service expenses when incurred.

8.4.3 Premium Allocation Approach (PAA)

The premium allocation approach is applied to groups of contracts that meet the eligibility criteria at inception of a group:

- where Belfius reasonably expects that the PAA will produce a measurement of the liability for remaining coverage for the group that would not differ materially from the LRC measurement in the GMM; or
- where the coverage period of each contract in the group is one year or less.

Liability for remaining coverage

The LRC reflects the premiums receipts and the deferred acquisition cash flows, corrected for amounts recognised in profit or loss on a pro rata temporis basis.

Belfius will not apply the accounting policy choice to recognise insurance acquisition cash flows as expenses when incurred and will defer these costs over the coverage period.

Belfius expects for Non-Life contracts that the time between providing the services and the related premium due date will be no more than a year. Accordingly, Belfius will not adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, Belfius will recognise a loss component in profit or loss in the LRC.

Liability for incurred claims and expenses

The LIC is measured separately representing a best estimate of future cash outflows related to incurred claims, direct and indirect claim costs. The future cash flows will be discounted for the time value of money.

Expenses directly related to insurance contracts are presented as insurance service expenses when incurred.

8.5 Discount rates

To determine the appropriate discount rates for the measurement of insurance contracts the bottom-up approach will be applied. These discount rates are composed of a risk-free curve to which an illiquidity premium is added.

The risk-free curve is derived from available market information, based on Ester and swap rates, adjusted for durations beyond the last liquid point (set at 30 years) via extrapolation towards a long-term ultimate forward rate based on the Smith-Wilson algorithm.

The illiquidity premium is derived from spreads on illiquid assets and adjusted to remove credit risk, incorporating the underlying concepts of the Solvency II Volatility Adjustment that replicate the market evolution of asset spreads. The derived illiquidity premium takes into account the illiquidity characteristics of the insurance contracts and differs for short term and long-term businesses.

For the initial recognition of new contracts that started during the reporting period Belfius applies a weighted average discount rate. Belfius performs an onerous test for each quarterly set of contracts which consists of the new contracts in a portfolio that started in the last quarter. Quarterly sets of contracts that have the same profitability level are grouped in the same IFRS 17 group, if they started in the same calendar year. The weighted average discount rate applied on such a group is based on the discount curves that were applicable for the onerous test of the different quarterly sets of contracts in the group.

8.6 Disaggregation

Belfius opted to disaggregate the insurance finance income or expenses between profit or loss and other comprehensive income (OCI).

8.7 Risk adjustment

The risk adjustment is the compensation required by Belfius Insurance for the uncertainty about the amount and timing of future cash flows arising from non-financial risks as the insurance contract is fulfilled. It will be determined separately for Life and Non-Life contracts and allocated to groups of contracts based on an analysis of the risk profiles of the groups. They reflect the effects of the diversification, which will be determined using a correlation matrix technique.

The risk adjustments for non-financial risk will be determined using Value-at-risk (confidence level) calculation technique.

To determine the risk adjustments for non-financial risk for reinsurance contracts, Belfius Insurance will apply these techniques both gross and net of reinsurance and derive the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, Belfius will estimate the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of future cash flows. The confidence level applied for Life is 75% (1 year horizon), the confidence level applied for Non-life is between 72.5% and 77.5% (ultimate horizon).

9. NETWORK COSTS

Network costs consist of commissions paid to Belfius Bank independent branches and are based on outstanding volumes and production figures. Commissions for the production of interest-bearing financial assets and financial liabilities are included in interest income and expense using the effective interest-rate method.

10. TANGIBLE FIXED ASSETS

Tangible fixed assets include property, equipment and investment properties.

All property and equipment are stated at cost less accumulated depreciation and impairments. Subsequent costs are included in the carrying amount of the asset or recognised as a separate component, if it is probable that future economic benefits will flow to Belfius and the cost of the asset can be reliably measured.

The estimated useful lives are:

- buildings (including acquisition costs and non-deductible taxes): 20 to 50 years;
- computer equipment: 1 to 6 years;
- leasehold improvements, equipment and furniture: 2 to 12 years; and
- vehicles: 2 to 5 years.

Depreciation is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives.

An item of property and equipment can be composed of significant parts with individually varying useful lives. In such a case, each part is depreciated separately over its estimated useful life. The following parts have been defined for the head offices used starting 2006:

- structure of the building: 50 years;
- roof and frontage: 30 years;
- technical installations: 10 to 20 years; and
- fixtures and fittings: 10 to 20 years.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and are capitalised.

Tangible fixed assets are tested for impairment when an indication of impairment loss exists. If the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. Where the recoverable amount of an asset cannot be determined individually, Belfius determines the recoverable amount of the cash-generating unit or group of cash-generating units to which the asset belongs.

After the recognition of an impairment loss, the depreciation charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

Gains and losses on disposals of property and equipment are included under the item X. “Net income on investments and liabilities”.

Investment properties are those properties held to earn rentals or for capital appreciation. Belfius may also partly use such properties. If the “own use” portions can be sold separately or leased out separately under finance lease, then these portions are accounted for separately. If the “own use” portions cannot be sold separately, the property will be considered as an investment property only if Belfius holds an insignificant portion for its own use.

Investment properties are recorded at cost less accumulated depreciation and impairments. The investment properties are depreciated over their useful lives on a straight-line basis. Depreciation on buildings and other assets given in operating lease are booked under in the line item XII. “Other expenses”. Belfius shall transfer a property to or from investment property when there is evidence of a change in use.

11. INTANGIBLE ASSETS

An intangible asset is recognised if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to Belfius (by using reasonable and supportable assumptions) and the cost of the asset can be measured reliably.

Within Belfius intangible assets consist mainly of:

- internal development expenditures; and
- acquired software.

The costs associated with maintaining computer software programs are recognised as expense as incurred. However, expenditure that enhances or extends the benefits of computer software programs beyond one year is added to the original cost of the software. Internal development costs recognised as assets are amortised using the straight-line method over their useful lives from the time the developed item is available for use.

An acquired customer portfolio is amortised using the straight-line method over the expected life of the portfolio taking into account the expected loss of customers in the acquired portfolio.

As borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset, they are capitalised. Other borrowing costs are recognised as an expense.

Intangible assets (other than goodwill) are tested for impairment when an indication of impairment loss exists. If the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. Where the recoverable amount of an asset cannot be determined individually, Belfius determines the recoverable amount of the cash-generating unit or group of cash-generating units to which the asset belongs.

After the recognition of an impairment loss, the depreciation charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life. Gains and losses on disposals of intangible assets are determined by reference to their carrying amount and are included in line item X. "Net income on investments and liabilities".

12. GOODWILL

12.1. Measurement of goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.

It is measured as the difference between:

- The sum of the following elements:
  - consideration transferred;
  - amount of any non-controlling interests in the acquiree;
  - fair value of the acquirer's previously held equity interest in the acquiree (if any).
- Minus the fair value determined at acquisition date of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, this difference is negative ("badwill"), it is recognised immediately in profit or loss as a bargain purchase gain.

12.2. Impairment of goodwill

The carrying amount of goodwill is reviewed at year-end. For the purpose of this impairment testing, Belfius allocates goodwill to cash-generating units (CGUs) or groups of such units.

When circumstances or events indicate that there may be uncertainty about the carrying amount, goodwill is written down for impairment when the recoverable amount of the CGU or group of CGUs to which it has been allocated is lower than the carrying value.

The recoverable amount is the higher of the fair value less cost to sell or the value in use. The "value in use" is the sum of the future cash flows that are expected to be derived from a CGU. Expected cash flows used by Belfius are those of the financial budget approved by management.

The calculation of the "value in use" shall also reflect the time value of money (current risk-free rate of interest) corrected for the price for bearing the uncertainty inherent in the asset. This is reflected in the discount rate.

13. NON-CURRENT ASSETS (DISPOSAL GROUP) HELD FOR SALE AND DISCONTINUED OPERATIONS

If the carrying amount of a non-current asset (or disposal group) is recovered principally through a sale transaction rather than through continuing use, it will be classified as "held for sale".

Belfius measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and its fair value less costs to sell. Non-current assets (or disposal groups) classified as held for sale are presented separately in the balance sheet, without restatement for previous periods. These assets are no longer depreciated once they qualify as assets (or disposal groups) held for sale.

A discontinued operation is defined as a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations. Post-tax profit or loss of discontinued operations is presented under a separate line in the statement of income.

14. LEASES

14.1 Belfius is the lessee

Belfius enters into leases principally for the rental of equipment or real estate.

Belfius as a lessee recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Lease liabilities are not presented separately but are included within the line item "IV.A Debt securities issued and other financial liabilities - Measured at amortised cost" in the balance sheet (statement of financial position).

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

The right-of-use assets are included within the same line item "IX. Tangible fixed assets" as that within which the corresponding underlying assets would be presented if they were owned.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

14.2 Belfius is the lessor

Belfius grants both operating and finance leases.

Revenue from operating leases is recognised in the statement of income on a straight-line basis over the lease term. The underlying asset is accounted for in accordance with the accounting policies applicable to this type of asset.

For finance leases, Belfius recognises “leases receivable” at an amount equal to the net investment in the lease, which can be different from the present value of minimum lease payments.

The interest rate implicit in the lease contract is the discount rate. Interest income is recognised over the term of the lease using the interest rate implicit in the lease.

15. INCOME TAXES

If Belfius concludes that it is not probable that the taxation authority will accept a tax uncertainty for current and deferred taxes, Belfius reflects the effect of the uncertainty in determining the related taxable profit (or loss) or tax base.

15.1 Current tax

Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset. Income tax consequences of dividends are recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated the distributable profit were recognised.

15.2 Deferred tax

Deferred tax is recognised in full, using the balance sheet method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred taxes are measured at tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and liabilities are not discounted. Deferred tax assets on deductible temporary differences and tax loss carry-forwards are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilised.

A deferred tax liability is recognised on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, to the extent that Belfius is able to control the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax related to the fair value measurement of assets measured at fair value through other comprehensive income cash flow hedges, and other transactions recorded directly in equity, are also credited or charged directly to equity.

16. EMPLOYEE BENEFITS

16.1 Short-term benefits

Short-term benefits are expected to be wholly settled within twelve months after the end of the annual reporting period in which the employee renders service. These are measured on an undiscounted basis and recognised as an expense.

16.2 Post-employment benefits

Post-employment benefits include retirement benefits (annuity or lump sum payments on retirement) and other post-employment benefits such as medical care granted after the completion of the employment.

16.2.1 Defined benefit plans

Employee benefit obligations are measured at the present value of the estimated future cash outflows based on interest rates determined by reference to market yields on high quality corporate bonds that have terms to maturity approximating to the terms of the related liability. When there is no deep market in such bonds, the market yields on government bonds shall be used. The valuation technique for the assessment of pension expenses incorporates actuarial assumptions comprising both demographic assumptions and financial assumptions such as the inflation rate, salary increase.

The amount recognised in the balance sheet for the defined benefit plan is the difference between the present value of the defined benefit obligation (using the Projected Unit Credit Method) and the fair value of any plan assets. This amount may be presented as a liability or an asset.

In case of a net asset, the amount recognised is limited to the asset ceiling, which is the present value of any economic benefits available for Belfius in the form of refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability (asset) are recognised in other comprehensive income and are never reclassified to profit or loss. Remeasurements arise from the effect of changes in demographic and financial assumptions, from experience adjustments, the return on plan assets and any change in the effect of the asset ceiling.

16.2.2 Defined contribution plans

The contributions of Belfius related to defined contribution plans are charged to the statement of income in the year to which they relate.

Due to the legal minimum guaranteed rate of return imposed by the Belgian State, Belgian contribution plans are considered as defined benefit plans under IAS 19 and presented as such.

Given the change in legislation at the end of 2015 (i.e. the minimum guaranteed returns on employer and employee contributions decreased respectively from 3.25% and 3.75% to 1.75%), the valuation of the obligation of the Belgian defined contribution plans is based on the defined benefit methodology i.e. the Projected Unit Credit Method.

16.3 Other long-term benefits

A benefit is classified as other long-term employee benefits when the payment is not expected to be wholly settled before twelve months after the end of the annual closing period in which the employee renders service. These mainly include provisions for jubilee premiums and bonuses that employees receive after completion of specified periods of service.

Due to the smaller degree of uncertainty compared with post-employment benefits, a simplified method based on actuarial calculations is required to recognise and measure jubilees and other long-term benefits. A provision is set up for the estimated liability as a result of services rendered by employees up to the balance-sheet date and remeasurements are recognised in the statement of income.

16.4 Termination benefits

Termination benefits result either from a decision of Belfius to terminate the employment before the normal date of retirement or an employee's decision to accept redundancy payments from Belfius for termination of employment. Any benefit that requires future service is not a termination benefit.

A termination benefit provision is recognised at the earlier of when related restructuring costs are recognised and when Belfius can no longer withdraw the offer of those benefits.

17. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are mainly recognised for litigation claims, restructuring and loan commitments. Provisions are measured at the present value of the best estimate of expenditures required to settle the obligation. The discount rate is the pre-tax rate that reflects current market assessments of the time value of money.

Provisions are recognised when:

- Belfius has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- a reliable estimate of the amount of the obligation can be made.

Provisions on loan commitments and financial guarantees not measured at fair value are recognised when there is uncertainty about the creditworthiness of the counterparty. Please refer to impairment section 6.5.

Unless the possibility of an outflow of resources embodying economic benefits is remote, a contingent liability is disclosed. A contingent liability is continually assessed to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

18. LEVIES

Levies are outflows of resources embodying economic benefits imposed by governments on entities as identified by the legislation (i.e laws and/or regulations) other than income taxes, fines or other penalties imposed for breaches of the legislation.

Belfius recognises a liability when the obligating event occurs. All levies are taken upfront in full (no accrual accounting permitted) in the line item XII. “Other expenses” and the related amounts due are booked in line item XI. “Other liabilities”.

19. SHARE CAPITAL

Belfius recognises its dividends on its ordinary shares as a liability from the date on which they are declared. Any dividends for the year declared post-balance-sheet date are disclosed in the subsequent events note.

IV. Operating segments reporting

(Some amounts may not add up due to roundings)

Belfius' financial and commercial results are reported around two commercial segments: individual customer ("Individuals") and the SME, corporate and institutional customers ("Entrepreneurs, Enterprises and Public entities"). Group center ("Group Center"), containing the residual results not allocated to the two commercial segments, completes the full scope picture.

- Individuals (IND), managing the commercial relationships with individual customers both at bank and insurance level. Within the Individuals segment, we distinguish 4 subsegments: Savers, Investors, Private and Wealth.
- Entrepreneurs, Enterprises & Public (E&E&P), managing the commercial relationships with public and social sector, business and corporate clients both at bank and insurance level.
- Group Center (GC), containing the residual results not allocated to the two commercial segments. This mainly consists of results from Bond and Derivative portfolio management.

1. Balance sheet

The assets and liabilities allocated to Individuals (IND) and Entrepreneurs, Enterprises & Public (E&E&P) reflect the commercial activities of those business lines. Where IND shows an excess of funding, E&E&P is more asset driven. As a whole, the commercial balance sheet shows a funding excess with a sound 92% loan to deposit ratio at the end of December 2024.

The equity allocated to Individuals (IND) and Entrepreneurs, Enterprises & Public (E&E&P) is a normative regulatory equity, which is derived from the regulatory risk exposures of these business lines multiplied by 13.5% (Belfius' minimum operational CET 1 ratio).

Please note that the capital for the insurance activities is allocated to each business line in proportion to its contribution to Belfius Insurance Solvency II SCR requirements. Any non allocated capital is reported in Group Center.

Note that there are no internal sales or purchases between segments, the assets and liabilities within a segment are those generated and originated by the business lines.

	31/12/23		
(in thousands of EUR)	Assets	Liabilities	Equity
Individuals	57,278,546	81,011,930	1,653,594
Entrepreneurs, Enterprises & Public	67,833,839	49,665,972	6,066,737
Group Center	54,066,967	36,282,088	4,499,031
TOTAL	179,179,352	166,959,989	12,219,362
of which banking group(1)	162,653,193	150,914,811	11,738,383
of which insurance group(1)	16,526,158	16,045,179	480,979

	31/12/24		
(in thousands of EUR)	Assets	Liabilities	Equity
Individuals	60,140,354	88,517,834	1,754,463
Entrepreneurs, Enterprises & Public	70,628,256	49,337,192	7,025,830
Group Center	56,688,824	36,769,076	4,053,040
TOTAL	187,457,435	174,624,102	12,833,333
of which banking group(1)	170,099,807	157,825,883	12,273,923
of which insurance group(1)	17,357,628	16,798,219	559,409

(1) The assets, liabilities and equity represent the contributions of the Belfius Insurance and Belfius Bank groups to the consolidated balance sheet.

The total commercial assets from both activity lines Individuals (IND) and Entrepreneurs, Enterprises & Public (E&E&P) increased between 2023 and 2024 with EUR 5.7 billion. This growth is explained by the increase in loan production in the activity lines, in line with Belfius' strategy. The liabilities in the Individual segment increased with EUR 7.5 billion in comparison to 2023 whereas the liabilities in the E&E&P segment decreased with EUR -329 million. (Refer to the chapter Segment reporting in the Management report).

Overall, the commercial balance shows a funding excess similar to 2023 leading to a stabilization of the loan-to-deposit ratio at 92% end 2024 (versus 93% end 2023). The assets and liabilities of Group Center increased mainly due to Wholesale issuances (Preferred Senior issuances, Non-Preferred Senior and subordinated issuances). This is reflected on the asset side by mainly more placements with the ECB and a larger ALM liquidity portfolio.

2. Statement of income

A. Segmentation by business line

(in thousands of EUR)	31/12/23 Individuals	Entrepreneurs, Enterprises & Public	Group Center	Total
INCOME	2,359,201	1,566,097	124,722	4,050,020
Net interest income bank	821,737	1,113,902	171,993	2,107,632
Net Fee and commissions bank[1]	632,045	140,415	(12,837)	759,623
Life insurance income	339,213	117,275	(0)	456,488
Non-life & Health income	689,264	176,776	431	866,471
Other income	(123,057)	17,728	(34,865)	(140,194)
INSURANCE SERVICE EXPENSES ADJUSTED[2]	(535,453)	(172,084)	4	(707,534)
EXPENSES	(1,102,797)	(559,730)	(77,237)	(1,739,764)
of which directly attributable costs from insurance	(152,717)	(48,881)	0	(201,598)
NET INCOME BEFORE TAX AND IMPAIRMENTS	720,951	834,282	47,489	1,602,722
Impairments on financial instruments and provisions for credit commitments	(12,175)	(71,971)	(25,066)	(109,211)
Impairments on tangible and intangible assets	(802)	(54)	0	(855)
NET INCOME BEFORE TAX	707,974	762,258	22,423	1,492,655
Total tax (expense) income	(183,690)	(185,565)	(6,610)	(375,865)
NET INCOME	524,285	576,693	15,813	1,116,791
Attributable to non-controlling interests	1,402	35	815	2,252
Attributable to equity holders of the parent	522,883	576,658	14,997	1,114,538

(1) Insurance Services Expenses Adjusted = Insurance Services Expenses + Net Reinsurance Result - directly attributable cost from insurance.

(in thousands of EUR)	31/12/24 Individuals	Entrepreneurs, Enterprises & Public	Group Center	Total
INCOME	2,444,502	1,762,338	33,960	4,240,801
Net interest income bank	761,963	1,164,323	47,232	1,973,518
Net Fee and commissions bank	669,813	154,264	(15,138)	808,939
Life insurance income	382,153	120,828	4	502,986
Non-life & Health income	720,366	202,436	0	922,802
Other income	(89,793)	120,487	1,862	32,556
INSURANCE SERVICE EXPENSES ADJUSTED[1]	(590,614)	(170,301)	0	(760,915)
EXPENSES	(1,170,835)	(576,351)	(86,382)	(1,833,568)
of which directly attributable costs from insurance	(168,396)	(52,201)	0	(220,597)
NET INCOME BEFORE TAX AND IMPAIRMENTS	683,053	1,015,686	(52,422)	1,646,318
Impairments on financial instruments and provisions for credit commitments	(20,413)	(105,754)	(7,127)	(133,294)
Impairments on tangible and intangible assets	0	0	0	0
NET INCOME BEFORE TAX	662,641	909,932	(59,549)	1,513,024
Total tax (expense) income	(186,055)	(217,879)	19,896	(384,038)
NET INCOME	476,585	692,054	(39,653)	1,128,986
Attributable to non-controlling interests	907	251	962	2,120
Attributable to equity holders of the parent	475,679	691,802	(40,615)	1,126,866

(1) Insurance Services Expenses Adjusted = Insurance Services Expenses + Net Reinsurance Result - directly attributable cost from insurance.

Individuals' net income decreased from EUR 524 million in 2023 to EUR 477 million in 2024. The Net interest income of banking activities decreased by EUR -60 million mainly due to the tariff increase and the lower volume of the non maturing deposits. The Net Fee and commissions income of banking activities increased from EUR 632 million in 2023 to EUR 670 million in 2024 mainly resulting from the higher production in Asset Management Services.

Non-life insurance income increased with EUR 31 million as a result of an increase in insurance revenue due to the portfolio growth and premium indexation to compensate for inflation pressure on claims and costs.

Life insurance income increased with EUR 43 million mainly due to higher recurring financial income and capital gains, only partially compensated by lower insurance finance result which has been impacted by the refinement of actuarial models recognized in 2023 accounts.

The other income increased by EUR 33 million in 2024 compared to end 2023, mainly stemming from the improved performance of the FM equity desks and from lower bank levies in 2024.

The Insurance services expenses increased by EUR 55 million compared to 2023, mainly explained by the growth of the portfolio, higher Natural Catastrophe claims in 2024 (EUR 30 million in 2024 vs. EUR 23 million in 2023) and the impact of the new indicative tables.

The total expenses increased with EUR 68 million explained by the workforce reinforcement, wage-drift effect, and, to a lesser extent, by the increase in Network fees. Note that the operating expenses exclude directly attributable expenses related to insurance contracts as they are included in the present value of the insurance liabilities.

Entrepreneurs, Enterprises & Public's net income increased from EUR 577 million in 2023 to EUR 692 million in 2024. The net interest income increased with EUR 50 million mainly due to the important increase in credit income driven by the strong activity in Roll-over loans, the high unexpected interest recuperation (litigation) on defaulted clients and the increased attractivity in maturing deposits. Net fees and commissions increased with EUR 14 million.

Life insurance income increased with EUR 4 million due to higher recurring financial revenues and capital gains. This increase was partially offset by lower Insurance finance result due to the impact of the refinement of actuarial models recognized in 2023 accounts and the update of the allocation of the investment component.

Non-life insurance income increased with 26 million mainly due to the growth in business (increase of 8% of premium collection compared to 2023) combined with the impact of the refinement of actuarial models recognized in 2023 accounts.

The other income increased by EUR 103 million in 2024. This increase is mainly stemming from by the realization of capital gains on participations and lower bank levies.

The total expenses increased with EUR 17 million mainly due to the workforce reinforcement and wage-drift effect.

Group Center net income stands at EUR -39.7 million in 2024, compared to EUR 15.8 million in 2023. The decrease of EUR 55 million is mainly due to lower net interest income, which was affected by a shift in the product mix of commercial liabilities and a significant increase in the internal transfer rate on maturing deposits compared to commercial assets, due to the inverted yield curve.

Refer to the chapter Segment reporting of the Management Report for a detailed description of the segment results.

B. Segmentation by contribution scope

The statement of income represents the contributions of the Belfius Bank group (i.e. Belfius Bank with all its subsidiaries apart from the Belfius Insurance group) as well as the Belfius Insurance group (i.e. Belfius Insurance with its subsidiaries).

(in thousands of EUR) 31/12/23	Contribution Bank into group	Contribution Insurance into group	Total
INCOME	2,717,993	422,895	3,140,888
Net interest income	2,107,641	318,560	2,426,201
Net fee and commission income	759,623	19,289	778,912
Net Insurance result	0	38,845	38,845
Dividend income	23,831	33,454	57,285
Net income from equity method companies	7,851	(324)	7,527
Net income from financial instruments at fair value through profit or loss	52,107	1,420	53,527
Net income on investments and liabilities	14,322	(21,533)	(7,211)
Other income & expense	(247,381)	33,183	(214,198)
OPERATING EXPENSES (excl. directly attributable from insurance)	(1,434,478)	(103,688)	(1,538,166)
NET INCOME BEFORE TAX AND IMPAIRMENTS	1,283,515	319,207	1,602,722
Impairments on financial instruments and provisions for credit commitments	(107,802)	(1,409)	(109,211)
Impairments on tangible and intangible assets	(347)	(508)	(855)
NET INCOME BEFORE TAX	1,175,366	317,290	1,492,656
Total tax (expense) income	(298,528)	(77,337)	(375,865)
NET INCOME AFTER TAX	876,839	239,952	1,116,791
Attributable to non-controlling interests	(831)	(1,422)	(2,252)
Attributable to equity holders of the parent	876,008	238,530	1,114,538

(in thousands of EUR) 31/12/24	Contribution Bank into group	Contribution Insurance into group	Total
INCOME	2,801,491	457,797	3,259,288
Net interest income	1,973,554	365,996	2,339,551
Net fee and commission income	808,939	22,163	831,102
Net Insurance result	0	(41,243)	(41,243)
Dividend income	29,858	46,818	76,676
Net income from equity method companies	49,098	1,410	50,508
Net income from financial instruments at fair value through profit or loss	71,541	12,942	84,483
Net income on investments and liabilities	28,463	25,930	54,393
Other income & expense	(159,962)	23,781	(136,181)
OPERATING EXPENSES (excl. directly attributable from insurance)	(1,519,068)	(93,902)	(1,612,971)
NET INCOME BEFORE TAX AND IMPAIRMENTS	1,282,423	363,895	1,646,318
Impairments on financial instruments and provisions for credit commitments	(131,946)	(1,349)	(133,294)
Impairments on tangible and intangible assets	0	0	0
NET INCOME BEFORE TAX	1,150,478	362,546	1,513,024
Total tax (expense) income	(294,989)	(89,043)	(384,032)
NET INCOME AFTER TAX	855,489	273,503	1,128,992
Attributable to non-controlling interests	(1,171)	(949)	(2,120)
Attributable to equity holders of the parent	854,318	272,554	1,126,872

The contribution of Belfius Bank decreased with EUR -21.4 million from EUR 877 million at 31 December 2023 to EUR 855 million at 31 December 2024 mainly due to a decrease of the Net Interest Income despite a positive reinvestment rate effect, due to the shift from non-maturing to maturing deposits in response to an increase in interest rates, margin pressure on loans in a competitive Belgian loan market and abolition, since September 2023, of interest on minimum monetary reserves to be deposited at ECB. The Net fee and commission income bank increased with EUR 49.3 million versus last year. The increase is mainly attributable to higher service fee income from asset management services (EUR +38 million) and advisory services and discretionary management (EUR +10 million) following an increase in net asset values explained by organic growth and positive market effects. Other income bank is less negative than in 2023 (EUR +87 million) mainly due to a decrease of bank levies in 2024 compared to last year thanks to the absence of a contribution to the Single Resolution Fund in 2024. Total costs bank increased by 6% versus last year mainly due to an increasing workforce, salary indexations and the continued investments in technology. Impairments on financial instruments and provisions for credit commitments and impairments on intangible assets amount to EUR -132 million in 2024, more negative than last year due to new allowances of stage 3 provisions, partially offset by reversals of stage 1 and 2.

The contribution of Belfius Insurance increased with EUR 33.6 million from EUR 240 million at 31 December 2023 to EUR 274 million at 31 December 2024. The net insurance result Life and Health individual decreased, going from EUR -81 million in 2023 to EUR -135 million in 2024 as a result of further refinement of actuarial models in the second half of 2023. The net insurance result Non-Life and Health collective decreased from EUR 118 million in 2023 to EUR 95 million in 2024 mainly due to the impact of the update of the indicative tables, experience adjustments and an increase in claims due to the continued growth in the Non-Life portfolio, partially offset by an increase in insurance revenue due to the continued growth of the portfolio and premium indexations.

V. Notes on the assets of the consolidated balance sheet

(some amounts may not add up due to rounding)

5.1. Cash and cash equivalents

Cash and cash equivalents include financial instruments with an original maturity less than or equal to 90 days.

Analysis by nature

(in thousands of EUR)	31/12/23	31/12/24
Cash and balances with central banks other than mandatory reserves	19,392,981	21,103,696
Mandatory reserves with central banks(1)	1,088,175	1,154,564
Loans and advances due from credit institutions	1,320,959	1,115,712
Debt securities	68,599	85,153
TOTAL	21,870,715	23,459,124

(1) The “Mandatory reserves” include the minimum reserve deposits that Belfius has with the European Central Bank (ECB) or with other central banks. Note that Belfius complies with the requirement of holding an average balance on the reserve account over the reference period.

5.2. Cash and balances with central banks

Analysis by nature

(in thousands of EUR)	31/12/23	31/12/24
Cash in hand	258,628	211,426
Balances with central banks other than mandatory reserve deposits	19,140,719	20,894,009
Mandatory reserves deposits (1)	1,088,175	1,154,564
Impairment stage 1	(382)	(416)
TOTAL	20,487,140	22,259,583
Of which included in cash and cash equivalents	20,481,156	22,258,260
Cash and balances with central banks other than mandatory reserves	19,392,981	21,103,696
Mandatory reserves with central banks	1,088,175	1,154,564

(1) The “Mandatory reserves deposits” includes the minimum reserve deposits that Belfius has with European Central Bank or with other central banks. Note that Belfius complies with the requirement of holding an average balance on the reserve account over the reference period.

Cash and balances with central banks increased by EUR 1.8 billion, or 8.7%, to EUR 22.3 billion (31 December 2023: EUR 20.5 billion) resulting from an increase in Belfius’ deposit facility at the ECB. Belfius deposits part of its cash at the NBB/ECB within the framework of its liquidity management.

5.3. Loans and advances due from credit institutions

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Measured at amortised cost	5,274,249	4,496,096
Measured at fair value through other comprehensive income	0	0
Measured at fair value through profit and loss	0	0
TOTAL	5,274,249	4,496,096

2. Analysis by nature

A. Not measured at fair value through profit or loss

(in thousands of EUR)	31/12/23		31/12/24	
	Amortised Cost	Measured at fair value through other comprehensive income	Amortised Cost	Measured at fair value through other comprehensive income
Cash collateral	3,522,504	0	2,929,087	0
Sight accounts	106,058	0	94,462	0
Reverse repurchase agreements	1,290,900	0	1,422,365	0
Financial lease	8,141	0	7,937	0
Term loans	346,853	0	42,430	0
Impaired loans (stage 3)	0	0	0	0
Less:				
impairment (stages 1,2 and 3)	(206)	0	(184)	0
TOTAL	5,274,249	0	4,496,096	0
Of which included in cash and cash equivalents	1,320,959	0	1,115,712	0

Loans and advances due from credit institutions decreased with EUR -0.8 billion, or -14.8%, to EUR 4.5 billion (31 December 2023: EUR 5.3 billion). The reduction stems from a decline in cash collateral of EUR 0.6 billion in line with the decrease in fair value of derivatives and term loans of EUR 0.3 billion, partially offset by an increase in reverse repurchase agreements of EUR 0.1 billion.

Not measured at fair value through profit or loss - breakdown

(in thousands of EUR)	31/12/23		31/12/24	
	Amortised Cost	Measured at fair value through other comprehensive income	Amortised Cost	Measured at fair value through other comprehensive income
Gross amount (stage 1)	5,268,374	0	4,491,305	0
less impairment allowance (stage 1)	(114)	0	(16)	0
Gross amount (stage 2)	6,082	0	4,976	0
less impairment allowance (stage 2)	(92)	0	(168)	0
Gross amount credit - Impaired (stage 3)	0	0	0	0
Impairment on credit - impaired (stage 3)	0	0	0	0
TOTAL	5,274,249	0	4,496,096	0

B. Measured at fair value through profit and loss

Nil

3. Analysis of quality

See note 9.2.

4. Analysis of the fair value

See note 9.1.

5.4. Loans and advances

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Measured at amortised cost	109,761,695	114,973,285
Measured at fair value through other comprehensive income	4,181,197	4,132,375
Measured at fair value through profit and loss	588,277	484,590
TOTAL	114,531,169	119,590,251

Loans and advances increased by EUR 5.1 billion, or 4.4%, to EUR 119.6 billion (31 December 2023: EUR 114.5 billion).

Two types of business models can be distinguished within Belfius group. The loan portfolios within the banking group are managed within a business model whose objective is to “hold to collect” contractual cash flows until maturity apart from certain positions that were classified as “hold to collect and sell”. The loan portfolio of the insurance group are managed within a business model whose objective is to “hold to collect and sell”.

An increase in loans and advances measured at amortised cost of EUR 5.2 billion can be noted compared to 31 December 2023 stemming from the continuous development of the commercial franchise of Belfius Bank.

Loans and advances measured at fair value through other comprehensive income decreased by EUR -0.1 billion compared to 31 December 2023 due to a decreased production of mortgage loans at Belfius Insurance in line with its investment framework, partially compensated by positive fair value adjustments resulting from decreased interest rates.

Certain other loans do not pass the SPPI-test and are therefore measured at fair value through profit or loss. These mostly relate to loans to the public and social sector with specific structured interest rate features. The related outstanding volume decreased by EUR -0.1 billion to EUR 0.5 billion end of December 2024, as a result of repayments, restructurings to loans passing the SPPI-test, and negative fair value adjustments.

2. Analysis by counterparty

A. Not measured at fair value through profit or loss

	31/12/23		31/12/24	
(in thousands of EUR)	Amortised Cost	Measured at fair value through other comprehensive income	Amortised Cost	Measured at fair value through other comprehensive income
Public entities	17,966,691	358,944	18,136,639	325,665
Corporate & Small and Medium Enterprises	46,207,999	320,797	49,295,395	384,517
Households	45,182,556	3,482,303	46,844,249	3,402,886
Impaired loans (stage 3)	2,216,722	42,043	2,485,620	42,117
Less:				
impairment (stages 1,2 and 3)	(1,812,272)	(22,890)	(1,788,617)	(22,809)
TOTAL	109,761,695	4,181,197	114,973,285	4,132,375

Not measured at fair value through profit or loss - breakdown

	31/12/23		31/12/24	
(in thousands of EUR)	Amortised Cost	Measured at fair value through other comprehensive income	Amortised Cost	Measured at fair value through other comprehensive income
Gross amount (stage 1)	94,901,724	3,911,504	101,515,245	3,867,984
less impairment allowance (stage 1)	(178,573)	(11,584)	(192,354)	(10,686)
Gross amount (stage 2)	14,455,522	250,540	12,761,038	245,084
less impairment allowance (stage 2)	(369,787)	(9,473)	(348,776)	(10,547)
Gross amount credit - Impaired (stage 3)	2,216,722	42,043	2,485,620	42,117
Impairment on credit - impaired (stage 3)	(1,263,913)	(1,833)	(1,247,488)	(1,577)
TOTAL	109,761,695	4,181,197	114,973,285	4,132,375

The gross amount in stage 1 and stage 1 impairment allowances increased in line with the new production of loans and advances in the portfolio measured at amortised cost. On the other hand, stage 2 impairment allowances decreased resulting from a reversal of a part of the Belfius' overlay for macroeconomic uncertainties and vulnerable exposures (EUR -68 million), as well as the migration of files from stage 2 to stage 3.

The gross amount and the impairment allowances in stage 3 increased resulting from an increase of exposures in default, o.w. a limited number of names in run-off portfolios and some individual files in the Belgian corporate sector as well as stage 3 provisions related to an increasing number of smaller files.

Note that Belfius has written-off EUR 122 million of stage 3 loans in 2024 for which there is no reasonable expectation of recovery but which are still subject to enforcement activity. Belfius has recognized these loans in its off balance sheet accounts. In 2023, no such loans were written off.

Refer to table 9.2.8. movements in allowances for credit losses for further information.

B. Measured at fair value through profit and loss

	31/12/23			
(in thousands of EUR)	Financial assets held for trading	Financial assets designated at fair value through profit or loss	Non-trading financial assets mandatorily measured at fair value through profit or loss	Total
Public entities	0	0	553,473	553,473
Corporate & Small and Medium Enterprises	0	0	34,110	34,110
Households	694	0	0	694
TOTAL	694	0	587,583	588,277

	31/12/24			
(in thousands of EUR)	Financial assets held for trading[1]	Financial assets designated at fair value through profit or loss	Non-trading financial assets mandatorily measured at fair value through profit or loss[2]	Total
Public entities	0	0	448,748	448,748
Corporate & Small and Medium Enterprises	0	0	35,598	35,598
Households	244	0	0	244
TOTAL	244	0	484,346	484,590

(1) Belfius warehouses mortgage loans, for a limited period of time, before transferring these mortgage loans to an external party.
(2) It mainly concerns loans to the public and social sector with specifically structured interest rate features that do not pass the SPPI-test and are therefore measured at fair value through profit and loss.

Loans and advances measured at fair value through profit and loss decreased mainly due to repayments, restructurings to loans passing the SPPI-test, and negative fair value adjustments.

3. Analysis by nature

A. Not measured at fair value through profit or loss

(in thousands of EUR)	31/12/23 Amortised Cost	31/12/23 Measured at fair value through other comprehensive income	31/12/24 Amortised Cost	31/12/24 Measured at fair value through other comprehensive income
Cash collateral	628,769	0	461,779	0
Reverse repurchase agreements	278,644	0	283,322	0
Financial lease	3,878,596	0	4,212,625	0
Other Loans and advances(1)	104,571,236	4,162,044	109,318,557	4,113,068
Of which bills and own acceptances	101,119	0	67,487	0
Of which consumer loans	1,790,678	0	1,842,747	0
Of which mortgage loans	41,776,340	3,549,409	43,399,666	3,459,459
Of which term loans(2)(3)	57,360,211	388,224	59,968,920	387,286
Of which current accounts	1,599,517	0	1,910,899	0
Of which other loans and advances (4)	1,943,371	224,410	2,128,838	266,324
Impaired loans (stage 3)	2,216,722	42,043	2,485,620	42,117
Less				
impairment (stages 1,2 and 3)	(1,812,272)	(22,890)	(1,788,617)	(22,809)
TOTAL	109,761,695	4,181,197	114,973,285	4,132,375

(1) The underlying pool of loans of the covered bonds (Pandbrieven) amounts to EUR 19.9 billion (31 December 2023: EUR 19.3 billion). This covered pool guarantees the outstanding covered bonds, of which EUR 5.9 billion mortgage covered bonds (31 December 2023: EUR 5.6 billion) and EUR 1.2 billion public covered bonds (31 December 2023: EUR 1.2 billion). We also refer to note 9.3.4. on Transfer of financial assets which do not qualify for derecognition in the consolidated balance sheet.
(2) End 2024, EUR 7.9 billion "term loans" were under the format of securitization (31 December 2023: EUR 0.5 billion), following the activation of a new securitization vehicle (Mercurius). Note that a securitization vehicle (DSFB2) was called in January 2024. We also refer to note 12. "Securitisations" and to note 9.3.4. on Transfer of financial assets which do not qualify for derecognition in the consolidated balance sheet.
(3) The term loans include a loan towards the regional authorities related to the floods of July 2021 amounting to EUR 68 million per 31 December 2024 (compared to EUR 77 million end 2023). In accordance with the protocol, insurers can reclaim the amounts paid to victims of the floods above a certain threshold. The amount in excess of the limit that has already been paid out by Belfius Insurance is recorded as a loan towards the regional authorities.
(4) Other loans and advances at amortised cost concern mainly factoring activities.

Loans and advances increased by EUR 5.1 billion, or 4.4%, to EUR 119.6 billion (31 December 2023: EUR 114.5 billion).

Two types of business models can be distinguished within Belfius group. The loan portfolios within the banking group are managed within a business model whose objective is to "hold to collect" contractual cash flows until maturity apart from certain positions that were classified as "hold to collect and sell". The loan portfolio of the insurance group are managed within a business model whose objective is to "hold to collect and sell".

An increase in loans and advances measured at amortised cost of EUR 5.2 billion can be noted compared to 31 December 2023 stemming from the continuous development of the commercial franchise of Belfius Bank.

Loans and advances measured at fair value through other comprehensive income decreased by EUR -0.1 billion compared to 31 December 2023 due to a decreased production of mortgage loans at Belfius Insurance in line with its investment framework, partially compensated by positive fair value adjustments resulting from decreased interest rates.

B. Measured at fair value through profit and loss

(in thousands of EUR)	31/12/23 Financial assets held for trading(1)	Financial assets designated at fair value through profit or loss	Non-trading financial assets mandatorily measured at fair value through profit or loss(2)	Total
Mortgage loans	694	0	0	694
Public sector loans	0	0	587,583	587,583
TOTAL	694	0	587,583	588,277

(in thousands of EUR)	31/12/24			
	Financial assets held for trading[1]	Financial assets designated at fair value through profit or loss	Non-trading financial assets mandatorily measured at fair value through profit or loss[2]	Total
Mortgage loans	244	0	0	244
Public sector loans	0	0	484,346	484,346
TOTAL	244	0	484,346	484,590

(1) Belfius warehouses mortgage loans, for a limited period of time, before transferring these mortgage loans to an external party.
(2) It mainly concerns loans to the public and social sector with specifically structured interest rate features that do not pass the SPPI-test and are therefore measured at fair value through profit and loss.

Certain other loans do not pass the SPPI-test and are therefore measured at fair value through profit or loss. These mostly relate to loans to the public and social sector with specific structured interest rate features. The related outstanding volume decreased by EUR -0.1 billion to EUR 0.5 billion end of December 2024, as a result of repayments, restructurings to loans passing the SPPI-test, and negative fair value adjustments.

4. Analysis of quality

See note 9.2.

5. Analysis of the fair value

See note 9.1.

5.5. Debt securities & Equity instruments

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Measured at amortised cost	13,521,835	14,401,792
Measured at fair value through other comprehensive income	8,718,772	9,557,578
Measured at fair value through profit or loss	1,506,789	1,468,255
Measured at fair value through profit or loss - Unit linked	4,176,214	4,545,702
TOTAL	27,923,609	29,973,327

The Belfius Banking Group contributed EUR 15.5 billion (31 December 2023: EUR 14.3 billion) to the debt securities and equity instruments portfolio and the Belfius Insurance Group contributed EUR 14.5 billion (31 December 2023: EUR 13.6 billion).

Two types of business models can be distinguished within Belfius group. The bond portfolios within the banking group are managed within a business model whose objective is to "hold to collect" contractual cash flows until maturity apart from certain positions that were classified as "hold to collect and sell". The bond portfolio of the insurance group are managed within a business model whose objective is to "hold to collect and sell".

Seeing that certain bond positions did not comply with the solely payment of principal and interest on the principal amount outstanding, a classification at fair value through profit and loss was required. It mainly concerns investment funds within the Belfius Insurance portfolio.

2. Analysis by nature

A. Not measured at fair value through profit or loss

(in thousands of EUR)	31/12/23 Amortised Cost	31/12/23 Measured at fair value through other comprehensive income	31/12/24 Amortised Cost	31/12/24 Measured at fair value through other comprehensive income
Debt securities issued by public sector	5,547,716	5,343,177	6,232,682	5,948,568
Other debt securities	8,136,056	2,388,485	7,722,753	2,457,123
Equity instruments	0	1,006,935	0	1,161,268
Impaired debt securities (stage 3)	2,485	0	603,872	10,293
impairment (stages 1,2 and 3)	(164,423)	(19,825)	(157,515)	(19,674)
TOTAL	13,521,835	8,718,772	14,401,792	9,557,578
Of which included in cash and cash equivalents	64,615	3,985	83,159	1,994

The debt securities measured at amortised cost increased by EUR 0.9 billion, or 6.5%, to EUR 14.4 billion (31 December 2023: EUR 13.5 billion) resulting from investments in both government and corporate bonds in the liquidity bond portfolio held by Belfius Bank, partially offset by redemptions and the negative impact of fair value hedge revaluations on hedged items.

Furthermore, Belfius sold EUR 120.7 million bonds out of the hold to collect portfolio. These sales are considered as infrequent sales or sales due to an increase in credit risk and are therefore consistent with the hold to collect business model. The resulting capital gains amounting to EUR 15 million are included in the statement of income in the line "impairments on financial instruments and provision for credit commitments".

The financial assets measured at fair value through other comprehensive income increased by EUR 0.8 billion, or 9.6%, to EUR 9.6 billion (31 December 2023: EUR 8.7 billion). An increase of EUR 0.8 billion can be observed within the bond portfolio of Belfius Insurance resulting from investments in government and corporate bonds to cover the life insurance obligations, partially offset by disposals, mainly for duration gap management purposes. Furthermore, a decrease in fair value of EUR -0.1 billion can be observed due to widened credit spreads (mainly on French and German government bonds) and realisations of capital gains. On the other hand, equity instruments increased by EUR 0.2 billion resulting from new investments, while the fair value on equity instruments decreased with EUR -0.1 billion due to realisations of capital gains and market evolutions.

Debt securities not measured at fair value through profit or loss – breakdown

(in thousands of EUR)	31/12/23 Amortised Cost	31/12/23 Measured at fair value through other comprehensive income	31/12/24 Amortised Cost	31/12/24 Measured at fair value through other comprehensive income
Gross amount (stage 1)	8,448,274	7,182,878	9,739,460	7,782,343
less impairment allowance (stage 1)	(1,039)	(3,520)	(899)	(2,506)
Gross amount (stage 2)	5,235,498	548,784	4,215,976	623,349
less impairment allowance (stage 2)	(160,898)	(16,304)	(101,291)	(12,149)
Gross amount credit - Impaired (stage 3)	2,485	0	603,872	10,293
Impairment on credit - impaired (stage 3)	(2,485)	0	(55,325)	(5,019)
TOTAL	13,521,835	7,711,837	14,401,792	8,396,310

The gross amount and the impairment allowances in stage 3 increased resulting from an increase of exposures in default in the run-off portfolios (including UK utilities), however the increase in the allowances is limited as a result of guarantees related to certain exposures in default.

B. Measured at fair value through profit and loss

(in thousands of EUR)	31/12/23			
	Financial assets held for trading	Financial assets designated at fair value through profit or loss	Non-trading financial assets mandatorily measured at fair value through profit or loss	TOTAL
Debt securities issued by public sector	49,553	0	7,403	56,956
Other debt securities	18,593	0	986,707	1,005,300
Equity instruments	441,916	0	2,618	444,533
Unit linked products insurance activities	0	4,176,214	0	4,176,214
TOTAL	510,061	4,176,214	996,728	5,683,003

(in thousands of EUR)	31/12/24			
	Financial assets held for trading	Financial assets designated at fair value through profit or loss	Non-trading financial assets mandatorily measured at fair value through profit or loss	TOTAL
Debt securities issued by public sector	73,072	0	2,944	76,016
Other debt securities	20,509	0	772,910	793,419
Equity instruments	585,976	0	12,845	598,821
Unit linked products insurance activities	0	4,545,702	0	4,545,702
TOTAL	679,558	4,545,702	788,698	6,013,957

Debt and equity instruments measured at fair value through profit or loss remained stable at EUR 1.5 billion (31 December 2023: EUR 1.5 billion) mainly due to some disposals in the investment fund portfolio at Belfius Insurance, offset by an increased temporary volume from the Financial Markets' activity.

Debt securities measured at fair value through profit or loss – unit linked (Branch 23) increased by EUR 0.4 billion, or 8.8%, to EUR 4.5 billion (31 December 2023: EUR 4.2 billion) mainly resulting from positive fair value adjustments (EUR 0.3 billion).

C. Measured at fair value through other comprehensive income - Equity

The table below presents the reason why the equity instruments were designated at fair value through other comprehensive income.

(in thousands of EUR)	31/12/23		
	Reason for designation	Fair Value	Dividend income recognised
Strategic portfolio insurance - real estate	Risk and ALM purposes	211,322	15,178
Strategic portfolio insurance - various underlying	Risk and ALM purposes	568,370	18,276
Strategic portfolio bank	Risk and ALM purposes	227,243	6,614
TOTAL		1,006,935	40,068

(in thousands of EUR)	31/12/24		
	Reason for designation	Fair Value	Dividend income recognised
Strategic portfolio insurance - real estate	Risk and ALM purposes	147,862	11,708
Strategic portfolio insurance - various underlying	Risk and ALM purposes	640,506	35,110
Strategic portfolio bank	Risk and ALM purposes	372,900	9,552
TOTAL		1,161,268	56,370

The table below presents the reason why the equity instruments designated at fair value through other comprehensive income were sold.

	31/12/23			
(in thousands of EUR)	Reason for disposal	Fair Value at derecognition date	Transfer of cumulative gain or loss within equity	Dividend income recognised
Strategic portfolio insurance - real estate	Risk and ALM purposes	29,996	(1,124)	2,494
Strategic portfolio insurance - various underlying	Risk and ALM purposes	72,076	(4,037)	2,687
Strategic portfolio bank	Risk and ALM purposes	2,015	(2,083)	397
TOTAL		104,087	(7,244)	5,578

	31/12/24			
(in thousands of EUR)	Reason for disposal	Fair Value at derecognition date	Transfer of cumulative gain or loss within equity	Dividend income recognised
Strategic portfolio insurance - real estate	Risk and ALM purposes	64,620	2,060	2,024
Strategic portfolio insurance - various underlying	Risk and ALM purposes	134,916	28,986	2,623
Strategic portfolio bank	Risk and ALM purposes	2,930	1,805	242
TOTAL		202,466	32,850	4,889

3. Analysis of quality

See note 9.2.

4. Analysis of the fair value

See note 9.1.

5.6. Derivatives

1. Analysis by nature

(in thousands of EUR)	31/12/23 Assets	31/12/23 Liabilities	31/12/24 Assets	31/12/24 Liabilities
Derivatives held for trading	4,565,883	2,804,241	4,406,472	2,462,877
Derivatives designated as fair value hedges	154,302	1,323,169	154,979	1,070,021
Derivatives designated as cash flow hedges	31,902	202,903	45,555	368,905
Derivatives designated as portfolio hedge	569,339	2,899,119	678,931	2,603,053
TOTAL	5,321,426	7,229,432	5,285,936	6,504,856

A decrease in the fair value of derivatives can be noted, linked to the evolution of the interest rates and GBP rates. The total impact of the offsetting for derivatives concluded with LCH amounted to EUR 6.8 billion at the end of 2024, compared with EUR 7.1 billion at the end of 2023. Refer to note 9.3.6. Offsetting.

2. Detail of derivatives held for trading

(in thousands of EUR)	31/12/23				31/12/24			
	Notional amount(1)		Assets	Liabilities	Notional amount(1)		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	26,950,709	26,756,426	758,653	572,450	30,148,810	29,938,951	1,052,355	896,889
Interest rate derivatives	164,356,818	170,459,613	3,383,666	1,826,590	189,853,933	196,095,704	2,772,298	1,209,874
Credit derivatives	772,898	141,322	22,277	60,927	891,929	50,785	25,154	22,400
Equity derivatives	8,652,632	7,661,767	401,287	344,274	8,960,720	7,829,172	556,664	333,714
TOTAL	200,733,057	205,019,128	4,565,883	2,804,241	229,855,391	233,914,612	4,406,472	2,462,877

(1) The “Notional amount to receive” and the “Notional amount to deliver” represent the two legs of a derivative financial instrument and are presented separately in the table. In the case of f.e. an interest rate swap, the “Notional amount to receive” represents the notional amount on which the interest to be received by Belfius is calculated; the “Notional amount to deliver” represents the notional amount on which the interest to be paid by Belfius is calculated.

The derivatives position of Belfius originated partially from the fact that Belfius was the competence center for derivatives within the former Dexia Group. These derivatives were hedged externally for market risk. The derivatives between Belfius Bank and Dexia Group entities remained in the scope of Belfius after the sale of Belfius to the Belgian State in 2011. The credit risk thereon is mitigated through the use of collateral (Credit Support Annex).

Seeing the restrictions under IFRS for hedge accounting, certain economic hedges cannot be classified as hedge derivatives under IFRS. As a result, several economic hedges are considered as trading derivatives for accounting purposes while hedging non-basic bonds and loans, FVO positions or basis risk stemming from hedge inefficiency (f.e. basis swaps and cross currency).

For additional information on related market risk, refer to note 9.5. “Market Risk” as well as note 7.6. “Net income from financial instruments at fair value through profit or loss” for more information regarding the economic hedges.

3. Fair Value Hedges

A. Detail of derivatives designated as fair value hedges

(in thousands of EUR)	31/12/23				31/12/24			
	Notional amount[1]		Assets	Liabilities	Notional amount[1]		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Interest rate derivatives	5,177,909	4,990,856	149,889	1,322,558	5,137,329	4,924,571	136,252	1,070,021
of which interest rate swaps	4,434,453	4,434,453	87,095	1,118,710	4,355,835	4,355,835	43,267	950,933
of which cross currency interest rate swaps	743,456	556,403	62,794	203,848	781,493	568,736	92,985	119,088
Credit derivatives[2]	1,235,285	0	4,413	611	915,885	0	18,727	0
TOTAL	6,413,195	4,990,856	154,302	1,323,169	6,053,214	4,924,571	154,979	1,070,021

(1) The "Notional amount to receive" and the "Notional amount to deliver" represent the two legs of a derivative financial instrument and are presented separately in the table. In the case of f.e. an interest rate swap, the "Notional amount to receive" represents the notional amount on which the interest to be received by Belfius is calculated; the "Notional amount to deliver" represents the notional amount on which the interest to be paid by Belfius is calculated. Note that a forward sale contract mentions only one notional amount.
(2) Note that this line item includes "spreadlock" derivatives at Belfius Insurance, concluded in order to hedge the asset swap spread on certain bond positions. The purpose of these transactions is to protect the Solvency II ratio. More in particular, the spreadlock transaction locks in a forward assets swap spread at the moment of the conclusion of the transaction. Seeing that the spreadlock is defined to hedge the asset swap spread (i.e. all risks except changes in fair value due to benchmark interest rate) of specific bond positions, the derivative is presented as a credit derivative for which fair value hedge accounting has been set up.

B. Detail of hedged exposure

The following table contains details of the hedged exposures covered by the Belfius' hedging strategies.

(in thousands of EUR)	31/12/23			
	Carrying amount of hedged item	Assets or liabilities included in hedge of a net position (before netting)	Accumulated amount of fair value adjustments on the hedged item	Accumulated amount of fair value hedged adjustments in the statement of financial positions in case of rupture
Financial assets measured at fair value through other comprehensive income	1,472,568	0	0	0
Credit[1]	1,472,568	0		
Financial assets measured at amortised cost	6,909,570	0	(384,345)	2,210,841
Interest rate	6,909,570	0		

(in thousands of EUR)	31/12/24			
	Carrying amount of hedged item	Assets or liabilities included in hedge of a net position (before netting)	Accumulated amount of fair value adjustments on the hedged item	Accumulated amount of fair value hedged adjustments in the statement of financial positions in case of rupture
Financial assets measured at fair value through other comprehensive income	1,056,508	0	(18,481)	(3,442)
Credit[1]	1,056,508	0		
Financial assets measured at amortised cost	6,288,006	0	(746,220)	2,204,674
Interest rate	6,288,006	0		

(1) Note that this line item includes "spreadlock" derivatives at Belfius Insurance, concluded in order to hedge the asset swap spread on certain bond positions. The purpose of these transactions is to protect the Solvency II ratio. More in particular, the spreadlock transaction locks in a forward assets swap spread at the moment of the conclusion of the transaction. Seeing that the spreadlock is defined to hedge the asset swap spread (i.e. all risks except changes in fair value due to benchmark interest rate) of specific bond positions, the derivative is presented as a credit derivative for which fair value hedge accounting has been set up.

In the table, the carrying amount of hedged items in a fair value hedge is broken down by accounting portfolio. The accumulated amount of fair value adjustments on the hedged item includes the gains and losses on the hedged items that, as a consequence of hedge accounting, have adjusted the carrying amount of those items. Accumulated amount of fair value hedge adjustments in the statement of financial positions in case of rupture includes those hedge adjustments which, following the discontinuation of the hedge relationship and the end of the adjustment of hedged items for hedging gains and losses, remain to be amortised to the profit or loss via a recalculated effective interest rate for hedged items measured at amortised cost, or to the amount that represents the previously recognised cumulative hedging gain or loss for hedged assets measured at fair value through other comprehensive income.

C. Detail of the hedge documentation

To ensure the hedge relationship qualifies for hedge accounting, a formal documentation is prepared and the effectiveness is assessed on an ongoing basis throughout the hedging relationship.

Belfius applies fair value hedging to interest rate and foreign exchange risks on certain bonds (micro hedge). Belfius mainly uses plain vanilla interest rate swaps, while for non-EUR bonds plain vanilla interest rate & currency swaps are used.

The fair value used for the measurement of hedge effectiveness is based on the fair value movements of the derivatives in the balance sheet and the fair value movement of the hedged risk of the hedged item (generally through a hypothetical derivative).

For fair value hedging, the prospective test is based on a critical terms comparison between the hedging instrument and the hedged item. Retrospective testing is done by applying a dollar offset method (comparison of fair value hedged item and hedging instrument) and comparing it with well-defined limits.

Throughout 2024 all hedge effectiveness tests were respected.

Refer to note 7.6. “Net income from financial instruments at fair value through profit or loss” for more information regarding the measurement of hedge effectiveness.

4. Cash flow hedges

A. Detail of derivatives designated as cash flow hedges

(in thousands of EUR)	31/12/23				31/12/24			
	Notional amount[1]		Assets	Liabilities	Notional amount[1]		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	5,149,574	5,141,659	28,615	202,903	5,536,245	5,577,886	30,825	368,905
of which cross currency swaps	5,149,574	5,141,659	28,615	202,903	5,536,245	5,577,886	30,825	368,905
Interest rate derivatives	1,289,000	1,289,000	3,286	0	2,320,100	2,360,100	14,730	0
of which interest rate swaps	1,289,000	1,289,000	3,286	0	2,320,100	2,320,100	14,499	0
TOTAL	**6,438,574**	**6,430,659**	**31,902**	**202,903**	**7,856,345**	**7,937,986**	**45,555**	**368,905**

(1) The “Notional amount to receive” and the “Notional amount to deliver” represent the two legs of a derivative financial instrument and are presented separately in the table. In the case of f.e. an interest rate swap, the “Notional amount to receive” represents the notional amount on which the interest to be received by Belfius is calculated; the “Notional amount to deliver” represents the notional amount on which the interest to be paid by Belfius is calculated.

Estimated cashflows from cashflow hedging derivatives per time bucket

(in thousands of EUR)	Inflow	Outflow
Not more than three months	3,577,113	(4,611,761)
More than three but not more than six months	3,335,228	(4,528,108)
More than six months but not more than one year	3,335,228	(4,553,100)
More than one but not more than two years	3,093,343	(4,601,550)
More than two but not more than five years	2,609,574	(4,725,434)
More than five years	2,326,076	(4,271,175)

B. Detail of hedged exposure

Cash flow hedges are performed on highly probable future cash flows.

Belfius has a structural GBP funding gap stemming essentially from long term bonds (mainly inflation linked) and collateral posted and is therefore vulnerable to movements in the currency spread between the EUR and GBP. To manage that risk, currency interest rate swaps (CIRS) have been contracted and have been defined in a portfolio cash flow hedge relationship for the currency risk on a “highly probable forecasted transaction”.

Belfius decided to cover the risk of variability of cash flows and foreign currency changes stemming from funding of GBP assets and collateral paid in GBP. In order to hedge this risk, Belfius concluded Cross Currency Swaps which are recorded in a cash flow hedge relationship for the currency risk on a “highly probable forecasted transaction”. Belfius demonstrates that the forecasted cashflows from the GBP collateral funding and funding of GBP assets are higher than the amounts received through the Cross Currency Swaps.

In addition to the CIRS in a cash flow hedge relationship for the currency risk on highly probable future cash flows, Belfius has entered into an agreement in which it has committed to taking a sum of EUR 40 million on a bond issue at an agreed-upon interest rate, on a future date that extends beyond the usual time frame for a forward bond issue. This forward bond serves as a hedging instrument within a cash flow hedge relationship.

C. Detail of the hedge documentation

To ensure the hedge relationship qualifies for hedge accounting, a formal documentation is prepared and the effectiveness is assessed on an ongoing basis throughout the hedging relationship.

Belfius decided to cover the risk of variability of cash flows and foreign currency changes stemming from the collateral payable in foreign currencies. In order to hedge this risk, Belfius concluded Cross Currency Swaps which are recorded in a cash flow hedge relationship for the currency risk on a “highly probable forecasted transaction”. Belfius demonstrates that the forecasted cashflows from the GBP collateral funding and funding of GBP assets are higher than the amounts received through the Cross-Currency Swaps. Note that for a forecasted transaction, an analysis is performed to assure that the expected cash flows are still highly likely and a hedge effectiveness test is performed to demonstrate that the forecasted transaction (hedged item) is higher than the derivative (hedging instrument).

Throughout 2024 all hedge effectiveness tests were respected.

Refer to note 7.6. “Net income from financial instruments at fair value through profit or loss” for more information regarding the measurement of hedge effectiveness.

D. Reconciliation of equity in relation to hedge accounting

For more information on the reconciliation of each component of equity and an analysis of other comprehensive income in relation to hedge accounting, refer to notes 1.3. “Consolidated statement of comprehensive income” and 1.4. “Consolidated statement of change in equity”.

5. Portfolio hedge

A. Detail of derivatives of portfolio hedge

(in thousands of EUR)	31/12/23				31/12/24			
	Notional amount[1]		Assets	Liabilities	Notional amount[1]		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Interest rate derivatives	48,263,631	48,255,586	569,339	2,899,119	69,252,164	69,244,061	678,931	2,603,053
TOTAL	48,263,631	48,255,586	569,339	2,899,119	69,252,164	69,244,061	678,931	2,603,053

(1) The “Notional amount to receive” and the “Notional amount to deliver” represent the two legs of a derivative financial instrument and are presented separately in the table. In the case of f.e. an interest rate swap, the “Notional amount to receive” represents the notional amount on which the interest to be received by Belfius is calculated; the “Notional amount to deliver” represents the notional amount on which the interest to be paid by Belfius is calculated.

B. Detail of the hedge documentation

To ensure the hedge relationship qualifies for hedge accounting, a formal documentation is prepared and the effectiveness is assessed on an ongoing basis throughout the hedging relationship.

The accumulated gain/loss on the hedged item in portfolio hedge of interest rate risk on the balance sheet in line items VII. “Gain/loss on the hedged item in portfolio hedge of interest rate risk” amounts to EUR 1.4 billion assets and EUR -0.6 billion liabilities at year-end 2024 compared to EUR 1.6 billion assets and EUR -1.0 billion liabilities at year-end 2023.

For macro hedging, the prospective test is based on a volume test in which we demonstrate that (by entity, currency and time bucket) the amount of hedged items remains larger than the amount of hedging instruments (in term of notional as well as in term of interest cash flows). Retrospective testing, performed on a quarterly basis, is done by applying a dollar offset method (comparison of fair value hedged item and hedging instrument) and comparing it with well-defined limits.

The hedged items are interest-bearing assets (f.e. loans and debt instruments) and interest-bearing liabilities (f.e. deposits).

Throughout 2024 all hedge effectiveness tests were respected.

Refer to note 7.6. “Net income from financial instruments at fair value through profit or loss” for more information regarding the measurement of hedge effectiveness.

5.7. Investments in equity method companies

1. Carrying value

(in thousands of EUR)	2023	2024
CARRYING VALUE AS AT 1 JANUARY	94,019	161,533
Acquisitions[1]	5,000	15,558
Disposals[2]	0	(17,979)
Changes in scope of consolidation (in)[3]	67,741	0
Changes in scope of consolidation (out)[4]	0	(86)
Share of result before tax[5]	9,024	50,786
Share of tax	(171)	(278)
Dividend paid	(12,754)	(4,064)
Impairment: booked[6]	(1,326)	0
CARRYING VALUE AS AT 31 DECEMBER	161,533	205,470

(1) The acquisitions in 2023 are related to a capital increase of Batopin. The acquisitions in 2024 are mainly related to a capital increase of Batopin and the acquisition of Ajusto (consolidated via the simplified consolidation method).
(2) The disposals in 2024 are related to the sale of Cyclis Bike Lease and the sale of participations for which the simplified consolidation method is applied. Refer to note 10.1. Significant changes in scope of consolidation.
(3) As from 2023, Belfius applies a simplified consolidation method for participations that are considered immaterial. This resulted in a transfer of EUR 59 million from “equity instruments at fair value through other comprehensive income” to “investments in equity method companies”. Furthermore, since 2023 Belfius consolidates Fixxer through the equity method (EUR +2 million) and in 2023 our shareholders’ interest in Vicinity increased to 28.5%. Refer to note 10.1. Significant changes in scope of consolidation.
(4) In 2024 our shareholders’ interest in Vicinity decreased from 28.5% to 22.6%.
(5) The increase in result compared to 2023 mainly stems from the increase in result of Isabel following the sale of its participation in Finca Group.
(6) In 2023, impairments amounting to EUR 1.3 million have been recognised as a result of a prolonged decline in fair value.

2. List of equity method companies

(in thousands of EUR)	Book value 2023	Book value 2024	Website
Isabel SA[1]	15,265	60,325	www.isabel.eu
Erasmus Garden SA	2,560	3,243	
L'Economie populaire de Ciney CVBA (EPC)[2]	23,382	24,302	www.groupe-epc.be
Payconiq Belgium NV	9,971	10,530	www.payconiq.be
De Haan Vakantiehuizen NV	9,707	10,607	
Cyclis Bike Lease NV	8,195	0	www.cyclis.be
Skipr NV	3,821	3,304	nl.skipr.co
Fairville NV	1	26	www.fairville.be
Vicinity Affordable Housing Fund CV	20,418	20,797	www.vicinity.be
Immovlan BV	4,660	3,570	immo.vlan.be
Batopin NV	2,865	8,376	www.batopin.be
Land Investment Vehicle NV	1,559	1,794	
Fixxer NV	944	614	
Participations for which a simplified consolidation method is applied[3]	58,185	57,983	
TOTAL	161,533	205,470	

(1) The increase in book value of Isabel results from the sale of its participation in Finca Group
(2) Although Belfius owns the majority of the shares in EPC, it does not have substantiated control over the investment as (a) there is a limitation of the voting rights and (b) no shareholder/control agreements exist.
(3) We refer to note 10.3.1 and 10.3.3 for the participations in scope of the simplified consolidation method.

3. Financial information of the joint arrangements and associates evaluated through the equity method

(in thousands of EUR)	Assets	Liabilities	Equity	Net income	Net asset value	%	Annual report, as at
ASSOCIATES							
Isabel SA	86,818	23,701	63,117	13,030	63,117	24.00%	31/12/2023
L'Economie populaire de Ciney CVBA (EPC)	93,892	58,381	35,511	988	35,511	61.37%	31/12/2023
Payconiq Belgium NV	59,325	25,428	33,897	2,739	33,897	22.50%	31/12/2023
De Haan Vakantiehuizen	87,629	36,693	50,936	1,309	50,936	25.00%	31/12/2023
Cyclis Bike Lease NV	24,597	16,607	7,991	2,074	7,991	0.00%	31/12/2023
Skipr NV	6,340	2,736	3,605	(2,412)	3,605	27.20%	31/12/2023
Fairville NV	821	818	3	(382)	3	33.33%	31/12/2023
Vicinity Affordable Housing Fund CV	71,932	523	71,409	732	71,409	22.60%	31/12/2023
Batopin NV	180,472	169,022	11,450	(12,123)	11,450	25.00%	31/12/2023
Immovlan BV	17,530	2,051	15,479	(1,592)	15,479	30.00%	31/12/2023
Land Investment Vehicle NV	13,691	18	13,673	34	13,673	25.00%	31/12/2023
JOINT VENTURES							
Erasmus Garden SA	25,049	19,930	5,120	125	5,120	50.00%	31/12/2023
Fixxer	2,277	390	1,887	(1,835)	1,887	50.16%	31/12/2023

There are no significant or material commitments towards the joint ventures. There are no significant restrictions on the equity method companies, on their ability to access or use assets, and settle liabilities, of the group.

5.8. Tangible fixed assets

1. Net book value

(in thousands of EUR)	Land and buildings		Office furniture and other equipment		Investment property	Total
	Own use owner	Own use Right-of-use asset	Own use owner	Given in operational lease		
ACQUISITION COST AS AT 1 JANUARY 2023	1,251,440	58,379	392,217	650,257	853,383	3,205,675
Acquisitions(1)	21,463	14,190	39,678	312,754	41,900	429,986
Subsequent expenditures	9,146	0	0	0	8,949	18,095
Post-acquisition adjustments	0	0	0	0	0	0
Disposals(2)	(35,202)	(8,008)	(5,394)	(151,044)	(20,228)	(219,875)
Change in scope of consolidation (out)	0	0	(5)	0	0	(5)
Transfers and cancellations(3)	41,717	(1,801)	(7,953)	0	(26,158)	5,804
Foreign exchange adjustments	0	0	0	0	0	0
Other movements	0	0	0	4,250	71	4,321
ACQUISITION COST AS AT 31 DECEMBER 2023 (A)	1,288,564	62,760	418,544	816,217	857,918	3,444,003
ACCUMULATED DEPRECIATION AND IMPAIRMENT AS AT 1 JANUARY 2023	(754,296)	(17,397)	(343,038)	(168,190)	(250,707)	(1,533,627)
Accumulated depreciation	(715,562)	(17,397)	(343,038)	(168,190)	(249,054)	(1,493,241)
Accumulated impairment	(38,734)	0	0	0	(1,653)	(40,386)
Post-acquisition adjustments	0	0	0	0	0	0
Depreciation: booked	(20,186)	(4,218)	(10,422)	(88,590)	(23,679)	(147,095)
Impairment: booked(4)	(347)	0	0	0	0	(347)
Disposals	27,224	0	3,282	66,349	5,715	102,570
Change in scope of consolidation (out)	0	0	0	0	0	0
Transfers and cancellations	(20,886)	1,801	7,953	0	10,196	(935)
Foreign exchange adjustments	0	0	0	0	0	0
Other movements	0	(0)	(0)	0	4	4
ACCUMULATED DEPRECIATION AND IMPAIRMENT AS AT 31 DECEMBER 2023 (B)	(768,490)	(19,814)	(342,225)	(190,431)	(258,472)	(1,579,432)
Accumulated depreciation	(729,906)	(19,814)	(342,225)	(190,431)	(258,426)	(1,540,801)
Accumulated impairment	(38,585)	0	0	0	(46)	(38,631)
NET BOOK VALUE AS AT 31 DECEMBER 2023 (A)+(B)	520,073	42,947	76,318	625,787	599,446	1,864,571

(1) Acquisitions mainly include vehicles given in operational lease by Belfius Auto Lease and leasing contracts for the construction of property. Furthermore, Belfius invested in private and wealth houses during 2023.
(2)Disposals include the delivery of the leasing contracts for the construction of property and the assets are at that moment reclassed to loans and advances. Furthermore disposals include the sale of bank agencies (EUR 7 million).
(3) Transfers and cancellations include a reclassification of EUR 14 million from "investment property" to "land and buildings own use owner", resulting from rent agreements within the Belfius group.
(4) Impairments are included in the line XVIII. Impairments on tangible and intangible assets of the income statement.

(in thousands of EUR)	Land and buildings		Office furniture and other equipment		Investment property	Total
	Own use owner	Own use Right-of-use asset	Own use owner	Given in operational lease		
ACQUISITION COST AS AT 1 JANUARY 2024	1,288,564	62,760	418,544	816,217	857,918	3,444,003
Acquisitions(1)	35,193	4,896	16,329	318,453	7,807	382,680
Subsequent expenditures	29,771	0	0	0	8,959	38,731
Post-acquisition adjustments	0	0	0	0	0	0
Disposals(2)	(53,363)	(2,548)	(2,928)	(167,810)	(1,799)	(228,449)
Change in scope of consolidation (in)(3)	0	0	0	0	61,149	61,149
Change in scope of consolidation (out)	0	0	0	0	0	0
Transfers and cancellations(4)	49,178	(2,316)	(8,345)	0	(11,577)	26,940
Foreign exchange adjustments	0	0	0	0	0	0
Other movements	14	(0)	(14)	17,056	875	17,931
ACQUISITION COST AS AT 31 DECEMBER 2024 (A)	1,349,358	62,792	423,585	983,916	923,332	3,742,984
ACCUMULATED DEPRECIATION AND IMPAIRMENT AS AT 1 JANUARY 2024	(768,490)	(19,814)	(342,225)	(190,431)	(258,472)	(1,579,432)
Accumulated depreciation	(729,906)	(19,814)	(342,225)	(190,431)	(258,426)	(1,540,801)
Accumulated impairment	(38,585)	0	0	0	(46)	(38,631)
Post-acquisition adjustments	0	0	0	0	0	0
Depreciation: booked	(17,653)	(4,299)	(15,470)	(113,260)	(22,407)	(173,089)
Impairment: booked(5)	0	0	0	(11,599)	(3,042)	(14,641)
Write-back	0	0	0	0	0	0
Disposals(2)	43,740	0	1,065	71,798	0	116,604
Change in scope of consolidation (in)	0	0	0	0	(4,854)	(4,854)
Change in scope of consolidation (out)	0	0	0	0	0	0
Transfers and cancellations(4)	(39,584)	2,316	8,345	0	9,499	(19,424)
Foreign exchange adjustments	0	0	0	0	0	0
Other movements	(3)	(580)	3	0	(6)	(586)
ACCUMULATED DEPRECIATION AND IMPAIRMENT AS AT 31 DECEMBER 2024 (B)	(781,990)	(22,376)	(348,283)	(243,491)	(279,281)	(1,675,421)
Accumulated depreciation	(743,589)	(22,376)	(348,283)	(231,893)	(276,187)	(1,622,327)
Accumulated impairment	(38,401)	0	0	(11,599)	(3,094)	(53,093)
NET BOOK VALUE AS AT 31 DECEMBER 2024 (A)+(B)	567,368	40,416	75,303	740,425	644,051	2,067,563

(1) Acquisitions mainly include vehicles given in operational lease by Belfius Auto Lease and leasing contracts for the construction of property. Furthermore, Belfius invested in private and wealth houses during 2024.
(2)Disposals include the delivery of the leasing contracts for the construction of property and the assets are at that moment reclassed to loans and advances. Furthermore disposals include the sale of bank agencies (EUR 11 million).
(3) Changes in scope of consolidation (in) include the acquisition of real estate companies Renouv O and Phormio.
(4) Transfers and cancellations mainly include transfers to held for sale principally related to sales of bank agencies.
(5) Impairments are included in the line XVIII. Impairments on tangible and intangible assets of the income statement.

2. Fair value of investment property

(in thousands of EUR)	2023	2024
TOTAL	802,085	874,171
Fair value subject to an independent valuation(1)	656,419	725,476
Fair value not subject to an independent valuation	145,666	148,695

(1) The line “Fair value subject to an independent valuation” includes investment property for which an external valuation or a recent transaction price is available.

5.9. Intangible assets

(in thousands of EUR)	Internally developed software	Other intangible assets	Total
ACQUISITION COST AS AT 1 JANUARY 2023	649,695	202,075	851,770
Acquisitions(1)	122,665	69,498	192,162
Disposals	(1,614)	(101)	(1,715)
Change in scope of consolidation (in)	0	0	0
Change in scope of consolidation (out)	114	0	114
Transfers and cancellations(2)	(22,983)	(16,893)	(39,876)
Foreign exchange adjustments	0	0	0
Post-acquisition adjustments	0	0	0
Other movements	0	0	0
ACQUISITION COST AS AT 31 DECEMBER 2023 (A)	747,877	254,579	1,002,456
ACCUMULATED AMORTISATION AND IMPAIRMENT AS AT 1 JANUARY 2023	(441,736)	(173,395)	(615,131)
Accumulated amortisation	(436,973)	(165,519)	(602,492)
Accumulated impairment	(4,763)	(7,876)	(12,639)
Amortisation and impairment: booked(3)	(80,297)	(18,380)	(98,677)
Change in scope of consolidation (in)	0	0	0
Change in scope of consolidation (out)	0	0	0
Write-back	0	0	0
Disposals	0	(1,567)	(1,567)
Transfers and cancellations(2)	22,983	16,893	39,876
Foreign exchange adjustments	0	0	0
Post-acquisition adjustments	0	0	0
Other movements	0	(1)	(1)
ACCUMULATED AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER 2023 (B)	(499,050)	(176,449)	(675,499)
Accumulated amortisation	(495,168)	(176,449)	(671,617)
Accumulated impairment	(3,882)	0	(3,882)
NET BOOK VALUE AS AT 31 DECEMBER 2023 (A)+(B)	248,827	78,130	326,957

(1) During the year internally developed software costs were capitalised. The internally developed software relates to several ongoing strategic IT projects at Belfius. These projects relate to the further digitalisation and innovation of Belfius IT platforms and applications. Furthermore, other intangible assets increased a result of a new operating model for IT infrastructure services as from 2023.
(2) Transfers and cancellations mainly include cancellations of own developed software and other intangible assets resulting from the demerger of Jaimy and the liquidation of Jane.
(3) Belfius recognised accelerated depreciations in 2023 due to the revised useful life of internally developed software given the rapid changes in technology and the accelerated uptake of digital services for EUR 13 million. In 2023 an impairment of EUR 0.5 million was enacted on the intangible assets of Jane prior to its liquidation.

(in thousands of EUR)	Internally developed software	Other intangible assets	Total
ACQUISITION COST AS AT 1 JANUARY 2024	747,877	254,579	1,002,456
Acquisitions(1)	127,805	8,575	136,380
Disposals	0	0	0
Change in scope of consolidation (in)	0	0	0
Change in scope of consolidation (out)	0	0	0
Transfers and cancellations	(20,950)	(1,730)	(22,680)
Foreign exchange adjustments	0	0	0
Post-acquisition adjustments	0	0	0
Other movements	0	0	0
ACQUISITION COST AS AT 31 DECEMBER 2024 (A)	854,731	261,424	1,116,155
ACCUMULATED AMORTISATION AND IMPAIRMENT AS AT 1 JANUARY 2024	(499,050)	(176,449)	(675,499)
Accumulated amortisation	(495,168)	(176,449)	(671,617)
Accumulated impairment	(3,882)	0	(3,882)
Amortisation and impairment: booked(2)	(77,594)	(21,164)	(98,758)
Change in scope of consolidation (in)	0	0	0
Change in scope of consolidation (out)	0	0	0
Write-back	0	0	0
Disposals	0	0	0
Transfers and cancellations	20,950	1,730	22,680
Foreign exchange adjustments	0	0	0
Post-acquisition adjustments	0	0	0
Other movements	0	(0)	(0)
ACCUMULATED AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER 2024 (B)	(555,693)	(195,883)	(751,576)
Accumulated amortisation	(551,811)	(195,883)	(747,694)
Accumulated impairment	(3,882)	0	(3,882)
NET BOOK VALUE AS AT 31 DECEMBER 2024 (A)+(B)	299,038	65,541	364,579

(1) During the year internally developed software costs were capitalised. The internally developed software relates to several ongoing strategic IT projects at Belfius. These projects relate to the further digitalisation and innovation of Belfius IT platforms and applications. Furthermore, other intangible assets increased a result of a new operating model for IT infrastructure services as from 2023.
(2) Belfius recognised accelerated depreciations in 2024 due to the revised useful life of internally developed software given the rapid changes in technology and the accelerated uptake of digital services for EUR 2.6 million.

5.10. Goodwill

(in thousands of EUR)	Positive goodwill	
	2023	2024
ACQUISITION COST AS AT 1 JANUARY	129,886	129,886
ACQUISITION COST AS AT 31 DECEMBER (A)	129,886	129,886
ACCUMULATED AMORTISATION AND IMPAIRMENT AS AT 1 JANUARY	(25,920)	(25,920)
Accumulated amortisation	(25,920)	(25,920)
ACCUMULATED AMORTISATION AND IMPAIRMENT AS AT 31 DECEMBER (B)	(25,920)	(25,920)
Accumulated amortisation	(25,920)	(25,920)
Accumulated impairment	0	0
NET BOOK VALUE AS AT 31 DECEMBER (A)+(B)	103,966	103,966

Positive goodwill relates to goodwill on Belfius Insurance.

The annual impairment test did not require an impairment on goodwill. The impairment test was performed by comparing the equity value of Belfius Insurance with the “value in use”. This value in use was determined based on a discounted cash flow model with the following inputs:

- financial plan for 6 years;
- discount rate: a cost of equity of 10.3%; and
- a long term growth rate for Belgium of 1.0%.

Note that the financial plan has only a limited impact on the impairment test. The main drivers are the discount curve and long term growth rate. Based on that scenario, a surplus could be identified.

For 2024, all scenarii (ranging from a growth rate from -1.5% to +2.5% and a discount rate of 8.8% to 11.8%) showed that no impairment was required. The assumptions for these scenarios are aligned with the expected evolution of the results in the financial plan and with the market conditions for capital costs.

5.11. Deferred tax assets and liabilities

1. Analysis

(in thousands of EUR)	31/12/23	31/12/24
Deferred income tax liabilities	(7,001)	(7,202)
Deferred income tax assets	526,098	519,468
DEFERRED TAXES	**519,096**	**512,266**
Not recognised deferred tax assets[1]	(74,869)	(72,029)
NET DEFERRED TAX ASSETS	444,227	440,238

(1) The decrease of not recognised deferred tax assets is amongst others due to the decrease in the not recognized deferred tax assets on tax losses carried forward of Belfius Ireland.

2. Movements

(in thousands of EUR)	31/12/23	31/12/24
AS AT 1 JANUARY	**360,972**	**444,227**
Movements of the year	83,255	(3,990)
Statement of income (expense)	(52,213)	(67,010)
Items related to "Other Comprehensive Income"[1]	(20,283)	60,301
Variation of scope of consolidation	0	2,767
Foreign exchange adjustments	0	0
Other movements	155,751	(47)
AS AT 31 DECEMBER	444,227	440,238

(1) Evolution due to changes in deferred taxes on fair value revaluation through OCI and deferred tax on remeasurement of pension plans.

A. Deferred tax coming from assets of the balance sheet

	31/12/23		31/12/24	
(in thousands of EUR)	Total	Of which impact in result	Total	Of which impact in result
Cash and balances with central banks	96	(32)	104	8
Loans and advances	133,503	(28,551)	74,225	(24,118)
Debt securities	53,038	(6,298)	53,159	(32,316)
Equity	0	0	0	0
Derivatives	158,200	131,548	195,454	8,682
Gain/loss on the hedged item in portfolio hedge of interest rate risk	(341,293)	(111,245)	(333,676)	7,617
Assets from insurance/reinsurance contracts	(31,539)	35,750	(24,379)	(139)
Investments in equity method companies	0	0	0	0
Other	50,945	(6,552)	54,725	14,096
Tangible fixed assets	(22,621)	2,737	(15,270)	3,871
Intangible assets	5,844	(4,779)	(2,170)	(6,923)
Goodwill	0	0	0	0
Other assets	68,107	(4,782)	72,387	16,984
Non current assets (disposal group) held for sale and discontinued operations	(385)	273	(222)	164
TOTAL	22,948	14,620	19,613	(26,169)

B. Deferred tax coming from liabilities of the balance sheet

	31/12/23		31/12/24	
	Total	Of which impact in result	Total	Of which impact in result
Cash and balances from central banks	0	0	0	0
Customer borrowings and deposits	38	(433)	7,260	(221)
Debt securities issued	(55,649)	84,062	(834)	54,816
Liabilities from insurance/reinsurance contracts	(40,226)	359,325	(55,554)	(28,489)
Derivatives	599,756	(226,634)	464,145	(135,611)
Gain/loss on the hedged item in portfolio hedge of interest rate risk	(257,366)	144,140	(152,772)	104,593
Other	151,183	6,126	140,335	(30,210)
Provisions and contingent liabilities	131,154	708	125,132	(25,706)
Subordinated debts	(734)	43	(621)	113
Other liabilities	20,762	5,375	15,824	(4,617)
Liabilities included in disposal group and discontinued operations	0	0	0	0
TOTAL	397,736	366,586	402,581	(35,122)

	31/12/23		31/12/24	
(in thousands of EUR)	Total	Of which impact in result	Total	Of which impact in result
Deferred tax coming from the balance sheet	420,684	381,206	422,194	(61,290)
Not recognised deferred tax assets – temporary differences	5,494		4,396	
DEFERRED TAX – TEMPORARY DIFFERENCES	426,178		426,589	

C. Deferred tax coming from other elements

	31/12/23		31/12/24	
(in thousands of EUR)	Total	Of which impact in result	Total	Of which impact in result
Tax losses carried forward	98,413	(6,823)	90,072	(8,573)
Tax credit carried forward	0	0	0	0
Entities with special tax status	0	0	0	0
TOTAL	**98,413**	**(6,823)**	**90,072**	**(8,573)**
Not recognised deferred tax assets – tax losses carried forward	(80,364)		(76,424)	
DEFERRED TAX COMING FROM OTHER ELEMENTS AFTER NOT RECOGNISED DEFERRED TAX ASSETS – TAX LOSSES CARRIED FORWARD	18,049		13,648	

(in thousands of EUR)	31/12/23	31/12/24
DEFERRED TAX BEFORE NOT RECOGNISED DEFERRED TAX	519,096	512,266
DEFERRED TAX AFTER NOT RECOGNISED DEFERRED TAX	444,227	440,238

Certain entities have deferred tax liabilities and deferred tax assets resulting from accounting differences (IFRS vs local GAAP) and tax differences. The tax differences are amongst others related to tax losses, which can be carried forward indefinitely.

The corresponding deferred tax liability ('DTL') and deferred tax assets ('DTA'), before consolidation adjustments, are as follows per 31 December 2024:

(in thousands of EUR)	Deferred tax liabilities	DTA resulting from accounting differences (IFRS vs local GAAP)	DTA resulting from tax differences	Not recognised deferred tax assets[2]
Ireland[1]	2,113	0	74,474	72,361
Luxemburg	0	2,872	13,284	0
Belgium	6,970	397,972	4,071	3,800

(1) Related to tax losses carried forward. The tax losses are fully attributable to GloBE (Global Anti-base Erosion Rules) losses within the meaning of Pillar 2.

(2) Not recognised due to uncertainty regarding sufficient future taxable income.

3. Expiry date of not recognised deferred tax assets

Nature (in thousands of EUR)	31/12/23 Less than 1 year	> 1 year and ≤ 5 years	> 5 years	Unlimited maturity	Total
Tax losses carried forward	0	0	0	(80,364)	(80,364)
TOTAL	0	0	0	(80,364)	(80,364)

Nature (in thousands of EUR)	31/12/24 Less than 1 year	> 1 year and ≤ 5 years	> 5 years	Unlimited maturity	Total
Tax losses carried forward	0	0	0	(76,424)	(76,424)
TOTAL	0	0	0	(76,424)	(76,424)

5.12. Other assets

(in thousands of EUR)	31/12/23	31/12/24
OTHER ASSETS	922,731	1,017,369
Accrued income	129,811	123,661
Deferred expenses	36,477	46,821
Payments in transit from clients	626,957	707,759
Plan assets	39,611	48,865
Inventories(1)	14,767	14,042
Operational taxes	75,108	76,220
OTHER ASSETS SPECIFIC TO INSURANCE COMPANIES	44,440	43,005
Receivables resulting from direct insurance transactions	32,553	37,525
Other insurance assets	11,887	5,480
Impaired insurance assets	116	111
Less:		
Impairment	(116)	(111)
TOTAL	967,171	1,060,374

(1) A construction site was recognised as inventory in other assets, as it better reflects the nature and intent with the site.

Other assets mainly include accrued income (other than interest prorata), prepayments, operational taxes and other accounts receivable. They also include assets from insurance contracts (reinsurance, insurance premiums receivables, etc.), construction contracts, inventories and plan assets relating to employee benefit obligations.

The other assets increased mainly due to an increase of pending payments from clients.

5.13. Non current assets (disposal group) held for sale and discontinued operations

(in thousands of EUR)	31/12/23	31/12/24
Assets of subsidiaries held for sale	0	0
Tangible and intangible assets held for sale	10,362	2,846
Discontinued operations	0	0
Other assets	6,220	6,876
TOTAL	16,582	9,722

Belfius classifies assets as held for sale if the carrying amount of a non-current asset is recovered principally through a sale transaction rather than through continuing use, it mainly concerns land and buildings.

5.14. Leasing

1. Belfius as a lessor

A. Finance lease

(in thousands of EUR)	31/12/23	31/12/24
Gross investment in finance leases		
Not later than 1 year	1,032,657	1,180,505
> 1 year and ≤ 5 years	2,397,174	2,570,915
> 5 years	948,494	1,006,881
SUBTOTAL (A)	4,378,325	4,758,301
UNEARNED FUTURE FINANCE INCOME ON FINANCE LEASES (B)	484,571	540,190
NET INVESTMENT IN FINANCE LEASES (A)-(B)	3,893,754	4,218,111

(in thousands of EUR)	31/12/23	31/12/24
The net investment in finance leases may be analysed as follows:		
Not later than 1 year	902,869	1,034,301
> 1 year and ≤ 5 years	2,151,140	2,295,803
> 5 years	839,745	888,006
TOTAL	3,893,754	4,218,111

(in thousands of EUR)	31/12/23	31/12/24
Amounts of variable lease payments not included in the net investment in the lease	0	0
Amount of uncollectible finance lease payments included in the provision for loan losses at the end of the period	71,656	87,436
Residual values unguaranteed by lessees	422,846	496,926
Estimated fair value of finance lease	2,710,376	2,980,540
Accumulated allowance for uncollectible minimum lease payments	18,744	25,224
Selling profit or loss in case of assets built by Belfius and then leased out as a finance lease	3,748	3,921

The main underlying assets in finance lease relate to:

- real estate such as office buildings, commercial real estate, industrial real estate
- production equipment
- cars and trucks, locomotives and vessels
- alternative energy equipment (f.i. solar systems)
- IT equipment

B. Operating lease

(in thousands of EUR)	31/12/23	31/12/24
Future net minimum lease receivables under non-cancellable operating leases are as follows		
Not later than 1 year	373,429	361,776
> 1 year and ≤ 5 years	317,113	305,744
> 5 years	581,916	439,728
TOTAL	1,272,458	1,107,249
Amount of variable lease payments that do not depend on an index or rate	0	0

The main underlying assets in operating lease relate to:

- real estate
- cars and trucks
- IT equipment

2. Belfius as a lessee

Leases on tangible fixed assets

(in thousands of EUR)	31/12/23	31/12/24
Minimum lease payments		
Not later than 1 year	4,990	5,834
> 1 year and ≤ 5 years	17,311	16,386
> 5 years	27,973	24,604
TOTAL	50,273	46,824

(in thousands of EUR)	31/12/23	31/12/24
Present value of lease liabilities		
Not later than 1 year	4,949	5,786
> 1 year and ≤ 5 years	16,416	15,440
> 5 years	23,032	20,222
TOTAL	44,397	41,448

(in thousands of EUR)	31/12/23	31/12/24
Contractual future minimum lease payments (A)	50,268	46,824
Correction due to discount rate (B)	44,397	41,448
Present value of the future minimum lease payments (A-B)	5,871	5,376
Amount of expense relating to variable lease payments not included in the lease liabilities	0	0
Expense relating to short-term leases	1,831	1,280
Expense relating to leases of low-value items(1)	967	1,244

(1) Proforma due to refinement in presentation.

IFRS 16 provides a possibility to exempt an entity from its application if the impact is immaterial. As a result of a detailed analysis Belfius Bank implemented IFRS 16 for the lease agreements related to buildings. Cars are in scope of IFRS 16 but are exempted of application based on the “undue cost or effort” principle.

Parking lots are also in scope but are exempted due to the short term of each lease contract. Contracts related to IT material are out of scope as it concerns service contracts. For all these contracts the periodical rental costs will be charged in the profit and loss statement.

VI. Notes on the liabilities of the consolidated balance sheet

(some amounts may not add up due to rounding)

6.1. Cash and balances from central banks

1. Analysis by nature

Not measured at fair value through profit or loss

(in thousands of EUR)	31/12/23	31/12/24
Deposits	1,430,190	0
TOTAL	1,430,190	0

Cash and balances from central banks decreased by EUR -1.4 billion to EUR 0 (31 December 2023: EUR 1.4 billion), resulting from the repayment of Belfius' last TLTRO III.

Belfius took part in the third targeted longer-term refinancing operation (TLTRO III) program of the European Central Bank which ended in March 2024. The TLTROs were targeted operations, as the amount that could be borrowed was linked to the loans to non-financial corporations and households (excluding mortgage loans). The interest rate to be applied was linked to the realisation of certain lending performance thresholds.

Belfius analysed the terms of this programme and concluded that TLTRO III does not contain a significant benefit relative to market pricing and accounts for the financial liabilities relating to the TLTRO III programme under IFRS9.

The accrued interest expenses on TLTRO III amounted to EUR -13 million in 2024 (compared with EUR -126 million in 2023). Refer to note 7.1. Interest income – interest expense.

2. Analysis by maturity and interest rate

See notes 9.4., 9.5. and 9.6.

3. Analysis of the fair value

See note 9.1.

6.2. Credit institutions borrowings and deposits

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Measured at amortised cost	3,912,390	2,313,973
Measured at fair value through profit and loss	0	0
TOTAL	3,912,390	2,313,973

2. Analysis by nature

A. Not measured at fair value through profit or loss

	Amortised Cost	
(in thousands of EUR)	31/12/23	31/12/24
Demand deposits	75,383	117,091
Term deposits	686,700	190,031
Repurchase agreements	1,433,902	860,615
Cash collateral received	1,043,540	545,785
Other borrowings	672,864	600,452
TOTAL	3,912,390	2,313,973

Credit Institutions borrowings and deposits decreased by EUR -1.6 billion, or -40.9%, to EUR 2.3 billion (31 December 2023: EUR 3.9 billion), mainly as a result of a decrease in repurchase agreements (EUR -0.6 billion) and term deposits (EUR -0.5 billion) within Belfius' short-term liquidity management, and by a decrease in cash collateral received (EUR -0.5 billion).

B. Measured at fair value through profit or loss

Nil.

3. Analysis by maturity and interest rate

See notes 9.4., 9.5. and 9.6.

4. Analysis of the fair value

See note 9.1.

6.3. Borrowings and deposits

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Measured at amortised cost	103,980,476	108,643,869
Measured at fair value through profit and loss	19,959	18,835
TOTAL	104,000,435	108,662,704

2. Analysis by nature

A. Not measured at fair value through profit or loss

	Amortised Cost	
(in thousands of EUR)	31/12/23	31/12/24
Demand deposits	37,819,228	37,125,750
Saving deposits	42,820,816	43,891,668
Term deposits	16,773,028	20,671,588
Cash collateral	46,742	490,522
Non-regulated savings accounts	6,504,847	6,445,120
TOTAL DEPOSITS	103,964,661	108,624,648
Other borrowings	15,815	19,221
TOTAL BORROWINGS	15,815	19,221
TOTAL	103,980,476	108,643,869

Borrowings and deposits increased by EUR 4.7 billion, or 4.5%, to EUR 108.7 billion (31 December 2023: EUR 104.0 billion), resulting from an increase in term deposits (EUR +3.9 billion) and saving deposits (EUR +1.1 billion), partially compensated by a decrease in demand deposits (EUR -0.7 billion). Furthermore, an increase in cash collateral (EUR +0.4 billion) can be observed. Note that in response to the maturity of the Belgian Government bond in September 2024, Belfius launched a product offering, including a term account, explaining the increase in term deposits.

B. Measured at fair value through profit or loss

	Financial liabilities designated at fair value through profit and loss	
(in thousands of EUR)	31/12/23	31/12/24
Deposits	19,959	18,835
TOTAL	19,959	18,835

3. Analysis by maturity and interest rate

See notes 9.4., 9.5. and 9.6.

4. Analysis of the fair value

See note 9.1.

6.4. Debt securities issued and other financial liabilities

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Measured at amortised cost	23,603,069	28,317,135
Measured at fair value through profit and loss	8,238,650	8,590,365
Measured at fair value through profit or loss - Unit linked	4,176,214	4,545,702
TOTAL	36,017,933	41,453,201

2. Analysis by nature

A. Not measured at fair value through profit or loss

	Amortised Cost	
(in thousands of EUR)	31/12/23	31/12/24
Certificates of deposit	5,327,732	5,670,289
Customer saving certificates	768,987	853,619
Non-convertible debts	10,619,261	14,624,480
Covered bonds[1]	6,841,206	7,125,751
Lease liabilities	45,882	42,994
TOTAL	23,603,069	28,317,135

(1) Belfius has two covered bonds programmes.

The debt securities measured at amortised cost increased by EUR 4.7 billion, or 20.0%, to EUR 28.3 billion (31 December 2023: EUR 23.6 billion), primarily as a result of issuances of non-convertible debt securities (EUR +4 billion), including the issuance of a Green Senior Preferred bond (EUR 0.75 billion), Senior Non Preferred bonds (EUR 1 billion), a 3 year Floating Rate Senior Preferred bond (EUR 0.75 billion) and bonds developed in accordance with the Belfius Social Bond Framework for which the net proceeds are used to finance social projects in Belgium (EUR 0.6 billion). Furthermore, covered bonds increased by EUR +0.3 billion (mortgage pandbrieven benchmark issue of EUR 0.5 billion) and certificates of deposit increased by EUR +0.3 billion.

Belfius's covered bonds programmes

Belfius has two covered bond programmes:

- Mortgage Pandbrieven programme; and
- Public Pandbrieven programme.

The covering assets of the Mortgage Pandbrieven are mainly Belgian mortgage loans granted in accordance with the law on mortgage loans (law of 4 August 1992), through the branch network of Belfius. The covering assets of the Public Pandbrieven are mainly loans granted to Belgian public sector entities (municipalities, provinces, etc.).

The Belgian pandbrieven investors have a direct recourse to:

- the general estate of the issuing credit institution (i.e. repayment of the Belgian pandbrieven is an obligation of the issuing bank as a whole); and

- the segregated estate, that comprises the cover pool that is exclusively reserved for the Belgian pandbrieven investors under the specific program to which the segregated estate is joined and for the claims of other parties that are or can be identified in the issue conditions. Assets become part of the cover pool upon registration in a register held by the issuer for such purpose.

A detailed description of the covering assets (including the outstanding amount and the characteristics of the loans in the cover pool) can be consulted in the management report "Risk management" and in section 9.3. "Information on asset encumbrance and collateral received" as well as:

- for the Mortgage Pandbrieven Programme on: https://www.belfius.be/about-us/en/investors/debt-issuance/pandbrieven/belgian-mortgage

- for the Public Pandbrieven Programme on https://www.belfius.be/about-us/en/investors/debt-issuance/pandbrieven/belgian-public

The carrying value of the cover pool amounts to EUR 19.9 billion in December 2024 (compared to EUR 19.3 billion in December 2023). The carrying value of the cover pool is accounted for in loans and advances. We also refer to note 5.4.

B. Measured at fair value through profit or loss

	31/12/23			31/12/24		
(in thousands of EUR)	**Financial liabilities held for trading**	**Financial liabilities designated at fair value through profit and loss**	**TOTAL**	**Financial liabilities held for trading**	**Financial liabilities designated at fair value through profit and loss**	**TOTAL**
Debt securities		8,181,771	8,181,771		8,528,601	8,528,601
Debt securities issued by public sector (trading positions)	52,733		52,733	54,956		54,956
Other debt securities (trading positions)	5		5	5		5
Unit linked products insurance activities		4,176,214	4,176,214		4,545,702	4,545,702
Equity instruments (trading positions)	4,142		4,142	6,803		6,803
TOTAL	56,879	12,357,985	12,414,864	61,763	13,074,303	13,136,066

Debt securities measured at fair value through profit or loss increased by EUR 0.4 billion, or 4.3%, to EUR 8.6 billion (31 December 2023: EUR 8.2 billion), resulting from issuances at Belfius Financing Company.

Debt securities measured at fair value through profit or loss – unit linked (Branch 23) increased by EUR 0.4 billion, or 8.8%, to EUR 4.5 billion (31 December 2023: EUR 4.2 billion), mainly stemming from positive fair value adjustments (EUR 0.3 billion).

The trading positions in equity instruments and other debt securities are used for banking activities to eliminate or significantly reduce a measurement or recognition inconsistency between debt instruments and their hedges. The methodology used to determine the fair value of "financial liabilities designated at fair value" is detailed in note 9.1.

Belfius does not recognise own credit risk in the fair value of financial liabilities as there has been no material change in own credit risk since issuance.

3. Analysis by maturity and interest rate

See notes 9.4., 9.5. and 9.6.

4. Analysis of the fair value

See note 9.1.

6.5. Liabilities from insurance/reinsurance contracts

1. Summary totals

	31/12/23			
(in thousands of EUR)	PAA	GMM	VFA	TOTAL
Assets from insurance contracts	0	0	0	0
Insurance contract liabilities	1,131,152	10,273,937	0	11,405,090
TOTAL INSURANCE CONTRACTS	1,131,152	10,273,937	0	11,405,090
Assets from reinsurance contracts	97,806	0	0	97,806
Reinsurance contract liabilities	0	0	0	0
TOTAL REINSURANCE CONTRACTS	97,806	0	0	97,806

	31/12/24			
(in thousands of EUR)	PAA	GMM	VFA	TOTAL
Assets from insurance contracts	0	0	0	0
Insurance contract liabilities	1,138,729	10,648,318	0	11,787,047
TOTAL INSURANCE CONTRACTS	1,138,729	10,648,318	0	11,787,047
Assets from reinsurance contracts	97,517	0	0	97,517
Reinsurance contract liabilities	0	0	0	0
TOTAL REINSURANCE CONTRACTS	97,517	0	0	97,517

2. Movements in insurance and reinsurance contract balances - PAA

The premium allocation approach is applied to Non-Life contracts, Health/Collective contracts and reinsurance contracts held.

A. Insurance contracts issued - Reconciliation of the liability for remaining coverage and the liability for incurred claims

	31/12/23				
	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS		
(in thousands of EUR)	Excluding loss component	Loss component	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	TOTAL LIABILITIES
OPENING ASSETS	0	0	0	0	0
OPENING LIABILITIES	69,120	4,072	948,311	56,333	1,077,836
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT OPENING	69,120	4,072	948,311	56,333	1,077,836
Insurance revenue (a)	(826,857)	0	0	0	(826,857)
Insurance service expense (b)	161,694	(1,490)	522,040	(21,189)	661,055
Incurred claims and other incurred insurance service expenses	0	0	522,084	8,340	530,424
Amortisation of insurance acquisition cash flows	161,694	0	0	0	161,694
Adjustments to the liabilities for incurred claims	0	0	(44)	(29,529)	(29,573)
Losses and reversal of losses on onerous contracts	0	(1,490)	0	0	(1,490)
Insurance service result (a)+(b)	(665,163)	(1,490)	522,040	(21,189)	(165,802)
Insurance finance result	0	0	52,044	3,521	55,566
Finance expenses from insurance contracts	0	0	52,044	3,521	55,566
Effects of movements in exchange rates	0	0	0	0	0
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	(665,163)	(1,490)	574,085	(17,668)	(110,236)
Investment component	0	0	0	0	0
Cash flows	698,206	0	(534,654)	0	163,552
Premiums received	815,554	0	0	0	815,554
Insurance acquisition cash flows paid	(117,348)	0	0	0	(117,348)
Claims and other insurance service expenses paid	0	0	(534,654)	0	(534,654)
OTHER CHANGES IN THE NET CARRYING AMOUNT	698,206	0	(534,654)	0	163,552
CLOSING ASSETS	0	0	0	0	0
CLOSING LIABILITIES	102,163	2,582	987,742	38,665	1,131,152
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT CLOSING	102,163	2,582	987,742	38,665	1,131,152

(in thousands of EUR)	31/12/24				
	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS		
	Excluding loss component	Loss component	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	TOTAL LIABILITIES
OPENING ASSETS	0	0	0	0	0
OPENING LIABILITIES	102,163	2,582	987,742	38,665	1,131,152
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT OPENING	102,163	2,582	987,742	38,665	1,131,152
Insurance revenue (a)	(891,018)	0	0	0	(891,018)
Insurance service expense (b)	189,956	350	544,610	(2,993)	731,923
Incurred claims and other incurred insurance service expenses	0	0	562,381	6,746	569,127
Amortisation of insurance acquisition cash flows	189,956	0	0	0	189,956
Adjustments to the liabilities for incurred claims	0	0	(17,771)	(9,739)	(27,510)
Losses and reversal of losses on onerous contracts	0	350	0	0	350
Insurance service result (a)+(b)	(701,062)	350	544,610	(2,993)	(159,095)
Insurance finance result	0	0	23,919	904	24,823
Finance expenses from insurance contracts	0	0	23,919	904	24,823
Effects of movements in exchange rates	0	0	0	0	0
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	(701,062)	350	568,529	(2,090)	(134,272)
Investment component	0	0	0	0	0
Cash flows	704,080	0	(562,231)	0	141,848
Premiums received	894,854	0	0	0	894,854
Insurance acquisition cash flows paid	(190,774)	0	0	0	(190,774)
Claims and other insurance service expenses paid	0	0	(562,231)	0	(562,231)
OTHER CHANGES IN THE NET CARRYING AMOUNT	704,080	0	(562,231)	0	141,848
CLOSING ASSETS	0	0	0	0	0
CLOSING LIABILITIES	105,181	2,932	994,040	36,575	1,138,729
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT CLOSING	105,181	2,932	994,040	36,575	1,138,729

The insurance contract liabilities for remaining coverage (excluding loss component) increased from EUR 102 million to EUR 105 million. This increase is mainly explained by the increase in the Non-Life portfolio. The loss component increased from EUR 2.6 million to EUR 2.9 million mainly due to the change in the volume for tacit renewal for certain insurance contracts.

During 2024, the insurance liabilities for incurred claims increased by EUR 4.2 million to EUR 1,030 million. This increase is mainly stemming from the increase in the estimation of the present value of future cash flows (increase from EUR 988 million to EUR 994 million) due to the update of the non-financial assumptions (mainly inflation and expenses assumptions on the basis of the new indicative tables). This increase is partially compensated by a decrease of the risk adjustment from EUR 38.7 million to EUR 36.6 million. This decrease is mainly explained by the review of the parameters of the risk adjustment of the insurance liabilities for incurred claims. The confidence level to determine the risk adjustment remained stable compared to end 2023 at 77.5%.

B. Reinsurance contracts held - Reconciliation of the liability for remaining coverage and the liability for incurred claims

	31/12/23				
	ASSETS FOR REMAINING COVERAGE		ASSETS FOR INCURRED CLAIMS RECOVERIES		
(in thousands of EUR)	Excluding loss component	Loss component	Estimation of the present value of future cash flows	Risk adjustment for non-financial risk	TOTAL ASSETS
OPENING REINSURANCE ASSETS	10,569	0	98,756	6,778	116,103
OPENING REINSURANCE LIABILITIES	0	0	0	0	0
NET REINSURANCE CONTRACT ASSETS (LIABILITIES) AT OPENING	10,569	0	98,756	6,778	116,103
Allocation of reinsurance premiums	(54,952)	0	0	0	(54,952)
Amounts recoverable from reinsurance companies for incurred claims	0	0	28,380	(2,560)	25,820
Amounts recoverable from incurred claims and other expenses	*0*	*0*	*12,122*	*8*	*12,130*
Adjustments to the asset for incurred claims recoveries	*0*	*0*	*16,258*	*(2,568)*	*13,690*
Effect of changes in non-performance risk reinsurance companies	0	0	0	0	0
Loss recovery on underlying contracts and adjustments	0	0	0	0	0
Reinsurance investment component	0	0	0	0	0
Net income or expenses of reinsurance contracts	(54,952)	0	28,380	(2,560)	(29,132)
Reinsurance finance result	0	0	5,114	250	5,365
Finance expenses from reinsurance contracts	0	0	5,114	250	5,365
Effects of movements in exchange rates	0	0	0	0	0
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	(54,952)	0	33,495	(2,310)	(23,767)
Cash flows	56,233	0	(50,763)	0	5,471
Premiums paid	56,233	0	0	0	56,233
Amounts received from reinsurance companies	0	0	(50,763)	0	(50,763)
OTHER CHANGES IN THE NET CARRYING AMOUNT	56,233	0	(50,763)	0	5,471
CLOSING REINSURANCE ASSETS	11,850	0	81,488	4,468	97,806
CLOSING REINSURANCE LIABILITIES	0	0	0	0	0
NET REINSURANCE CONTRACT ASSETS (LIABILITIES) AT CLOSING	11,850	0	81,488	4,468	97,806

(in thousands of EUR)	31/12/24				
	ASSETS FOR REMAINING COVERAGE		ASSETS FOR INCURRED CLAIMS RECOVERIES		TOTAL ASSETS
	Excluding loss component	Loss component	Estimation of the present value of future cash flows	Risk adjustment for non-financial risk	
OPENING REINSURANCE ASSETS	11,850	0	81,488	4,468	97,806
OPENING REINSURANCE LIABILITIES	0	0	0	0	0
NET REINSURANCE CONTRACT ASSETS (LIABILITIES) AT OPENING	11,850	0	81,488	4,468	97,806
Allocation of reinsurance premiums	(59,225)	0	0	0	(59,225)
Amounts recoverable from reinsurance companies for incurred claims	0	0	16,505	(991)	15,514
Amounts recoverable from incurred claims and other expenses	*0*	*0*	*19,087*	*141*	*19,227*
Adjustments to the asset for incurred claims recoveries	*0*	*0*	*(2,581)*	*(1,132)*	*(3,714)*
Effect of changes in non-performance risk reinsurance companies	0	0	0	0	0
Loss recovery on underlying contracts and adjustments	0	0	0	0	0
Reinsurance investment component	0	0	0	0	0
Net income or expenses of reinsurance contracts	(59,225)	0	16,505	(991)	(43,712)
Reinsurance finance result	0	0	1,528	(132)	1,396
Finance expenses from reinsurance contracts	0	0	1,528	(132)	1,396
Effects of movements in exchange rates	0	0	0	0	0
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	(59,225)	0	18,033	(1,123)	(42,315)
Cash flows	61,145	0	(19,118)	0	42,026
Premiums paid	61,145	0	0	0	61,145
Amounts received from reinsurance companies	0	0	(19,118)	0	(19,118)
OTHER CHANGES IN THE NET CARRYING AMOUNT	61,145	0	(19,118)	1	42,026
CLOSING REINSURANCE ASSETS	13,769	0	80,402	3,345	97,517
CLOSING REINSURANCE LIABILITIES	0	0	0	0	0
NET REINSURANCE CONTRACT ASSETS (LIABILITIES) AT CLOSING	13,769	0	80,402	3,345	97,517

The reinsurance contract assets for incurred claims recoveries decreased from EUR 81.5 million to EUR 80.4 million, this decrease is mainly explained by the absence of single significant catastrophes covered by reinsurance treaties in 2024.

3. Movements in insurance and reinsurance contract balances – GMM

The general measurement model is applied to Life contracts, investment contracts with discretionary participation features as well as to Health/Individual contracts.

A. Insurance contracts issued - Reconciliation of the liability for remaining coverage and the liability for incurred claims

	31/12/23			
	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS	TOTAL LIABILITIES
(in thousands of EUR)	Excluding loss component	Loss component		
OPENING ASSETS	0	0	0	0
OPENING LIABILITIES	9,640,832	42,281	133,921	9,817,033
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT OPENING	9,640,832	42,281	133,921	9,817,033
Insurance revenue (a)	(359,784)	0	0	(359,784)
Insurance service expense (b)	18,650	10,064	190,230	218,944
Incurred claims and other incurred insurance service expenses	0	0	191,215	191,215
Amortisation of insurance acquisition cash flows	18,650	0	0	18,650
Adjustments to the liabilities for incurred claims	0	0	(985)	(985)
Losses and reversal of losses on onerous contracts	0	10,064	0	10,064
Insurance service result (a)+(b)	(341,133)	10,064	190,230	(140,840)
Insurance finance result	622,078	461	994	623,533
Finance expenses from insurance contracts	622,078	461	994	623,533
Effects of movements in exchange rates	0	0	0	0
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	280,945	10,525	191,224	482,694
Investment component	(1,060,772)	0	1,060,772	0
Cash flows	1,232,468	0	(1,258,258)	(25,790)
Premiums received	1,294,485	0	0	1,294,485
Insurance acquisition cash flows paid	(62,018)	0	0	(62,018)
Claims and other insurance service expenses paid	0	0	(1,258,258)	(1,258,258)
OTHER CHANGES IN THE NET CARRYING AMOUNT	171,696	0	(197,485)	(25,790)
CLOSING ASSETS	0	0	0	0
CLOSING LIABILITIES	10,093,473	52,806	127,659	10,273,937
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT CLOSING	10,093,473	52,806	127,659	10,273,937

(in thousands of EUR)	31/12/24			
	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS	TOTAL LIABILITIES
	Excluding loss component	Loss component		
OPENING ASSETS	0	0	0	0
OPENING LIABILITIES	10,093,473	52,806	127,659	10,273,937
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT OPENING	10,093,473	52,806	127,659	10,273,937
Insurance revenue (a)	(322,890)	0	0	(322,890)
Insurance service expense (b)	19,600	(5,140)	191,418	205,877
Incurred claims and other incurred insurance service expenses	0	(5,428)	192,079	186,651
Amortisation of insurance acquisition cash flows	19,600	0	0	19,600
Adjustments to the liabilities for incurred claims	0	0	(662)	(662)
Losses and reversal of losses on onerous contracts	0	288	0	288
Insurance service result (a)+(b)	(303,290)	(5,140)	191,418	(117,012)
Insurance finance result	308,850	692	898	310,440
Finance expenses from insurance contracts	308,850	692	898	310,440
Effects of movements in exchange rates	0	0	0	0
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	5,560	(4,448)	192,316	193,428
Investment component	(838,036)	0	838,036	0
Cash flows	1,210,653	0	(1,029,700)	180,953
Premiums received	1,265,878	0	0	1,265,878
Insurance acquisition cash flows paid	(55,225)	0	0	(55,225)
Claims and other insurance service expenses paid	0	0	(1,029,700)	(1,029,700)
OTHER CHANGES IN THE NET CARRYING AMOUNT	372,617	0	(191,664)	180,953
CLOSING ASSETS	0	0	0	0
CLOSING LIABILITIES	10,471,650	48,358	128,311	10,648,318
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT CLOSING	10,471,650	48,358	128,311	10,648,318

The liabilities for remaining coverage (excluding loss component) increased from EUR 10,093 million to EUR 10,463 million. This increase is mainly explained by an increase in the present value of future cash flows (EUR +275 million) mainly resulting from the impact of a positive experience variance due to more renewals than expected on short term investment products and from the decrease in discount rate compared to end December 2023. The CSM increased (EUR +121 million) as a result of the value of the new business (EUR +95.9 million) and the update of the non-financial assumptions (mainly inflation and expenses assumptions) (EUR +74.8 million), partially compensated by the CSM release for services provided during 2024 (EUR -105.8 million). The decrease of the discount curve led to a decrease of the lapse risk resulting in a decrease of the risk adjustment (EUR -26 million).

B. Insurance contracts issued - Reconciliation of the measurement components of insurance contract balances

	31/12/23					
	FULFILMENT CASH FLOWS		CSM			
(in thousands of EUR)	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	Contracts under the modified retrospec-tive approach	Contracts under the fair value approach	Other contracts	TOTAL LIABILITIES
OPENING ASSETS	0	0	0	0	0	0
OPENING LIABILITIES	8,713,867	323,720	0	526,521	252,925	9,817,033
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT OPENING	8,713,867	323,720	0	526,521	252,925	9,817,033
Changes that relate to current services	(126,069)	6,666	0	(65,210)	14,587	(170,027)
CSM recognised for services provided	0	0	0	(65,210)	14,587	(50,623)
Change in risk adjustment for non-financial risk for risk expired	0	6,666	0	0	0	6,666
Experience adjustments	(126,069)	0	0	0	0	(126,069)
Changes that relate to future services	10,979	(55,549)	0	(81,621)	112,876	(13,314)
Contracts initially recognised in the year	(157,508)	9,140	0	0	150,347	1,979
Changes in estimates that adjust the CSM	159,183	(63,470)	0	(81,621)	(37,470)	(23,378)
Changes in estimates that result in losses and reversal of losses on onerous contracts	9,304	(1,220)	0	0	0	8,085
Changes that relate to past services	(453)	(532)	0	0	0	(985)
Changes in liabilities for incurred claims	(453)	(532)	0	0	0	(985)
Total insurance service result	(115,541)	(49,417)	0	(146,831)	127,464	(184,327)
Insurance finance result	717,135	(126,084)	0	22,651	9,830	623,533
Finance expenses from insurance contracts	717,135	(126,084)	0	22,651	9,830	623,533
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	601,593	(175,500)	0	(124,179)	137,293	439,208
Cash flows	(25,790)	0	0	0	0	(25,790)
OTHER CHANGES IN THE NET CARRYING AMOUNT	(25,790)	0	0	0	0	(25,790)
CLOSING ASSETS	0	0	0	0	0	0
CLOSING LIABILITIES	9,368,153	134,521	0	447,016	324,247	10,273,937
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT CLOSING	9,368,153	134,521	0	447,016	324,247	10,273,937

(in thousands of EUR)	31/12/24					
	FULFILMENT CASH FLOWS		CSM			
	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts	TOTAL LIABILITIES
OPENING ASSETS	0	0	0	0	0	0
OPENING LIABILITIES	9,368,153	134,521	0	447,016	324,247	10,273,937
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT OPENING	9,368,153	134,521	0	447,016	324,247	10,273,937
Changes that relate to current services	(3,815)	(6,992)	0	(64,629)	(41,205)	(116,641)
CSM recognised for services provided	0	0	0	(64,629)	(41,205)	(105,834)
Change in risk adjustment for non-financial risk for risk expired	0	(6,992)	0	0	0	(6,992)
Experience adjustments	(3,815)	0	0	0	0	(3,815)
Changes that relate to future services	(192,761)	4,377	0	75,189	113,485	290
Contracts initially recognised in the year	(99,531)	4,944	0	0	95,922	1,335
Changes in estimates that adjust the CSM	(92,711)	(41)	0	75,189	17,563	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	(519)	(526)	0	0	0	(1,045)
Changes that relate to past services	(367)	(295)	0	0	0	(662)
Changes in liabilities for incurred claims	(367)	(295)	0	0	0	(662)
Total insurance service result	(196,942)	(2,910)	0	10,560	72,281	(117,012)
Insurance finance result	295,948	(23,525)	0	23,651	14,366	310,440
Finance expenses from insurance contracts	295,948	(23,525)	0	23,651	14,366	310,440
TOTAL CHANGE IN STATEMENT OF PROFIT OR LOSS AND OCI	99,006	(26,435)	0	34,210	86,647	193,428
Investment component	0	0	0	0	0	0
Cash flows	180,954	0	0	0	0	180,954
OTHER CHANGES IN THE NET CARRYING AMOUNT	180,954	0	0	0	0	180,954
CLOSING ASSETS	0	0	0	0	0	0
CLOSING LIABILITIES	9,648,113	108,086	0	481,226	410,894	10,648,319
NET INSURANCE CONTRACT LIABILITIES (ASSETS) AT CLOSING	9,648,112	108,086	0	481,226	410,894	10,648,318

For its life insurance contracts issued, Belfius applied the full retrospective approach for groups of insurance contracts related to underwriting years as from (and including) 2018. For groups of insurance contracts related to older underwriting years, the fair value approach was applied as the full retrospective approach was considered impracticable due to lack of historical data (e.g. due to system migrations) or undue cost or effort to obtain the data, and/or use of hindsight.

4. Effect of contracts initially recognised in the year

A. GMM

(in thousands of EUR)	31/12/23		31/12/24	
	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued
Total present value estimate of cash outflows	720,751	304,646	889,678	6,513
Insurance acquisition cash flows	35,683	1,296	45,532	2,213
Expected claims and other insurance service expenses payable	685,068	303,350	844,146	4,300
Estimates of present value of cash inflows	(830,807)	(303,627)	(990,540)	(5,182)
Risk adjustment for non-financial risk	8,180	960	4,940	4
CSM	101,876	0	95,922	0
Losses recognised on initial recognition	0	1,979	0	1,335

Most of the insurance contracts underwritten in 2024 have a CSM at initial recognition. The contracts that had a loss component at initial recognition are related to products which are in run-off.

5. Contractual service margin

The table below sets out when Belfius expects to recognise the remaining CSM in profit or loss after the reporting date for contracts measured under the GMM.

	31/12/23							
(in thousands of EUR)	1 year or less	1-2 year	2-3 years	3-4 years	4-5 years	5-10 years	more than 10 years	TOTAL
Remaining CSM from insurance contracts estimated to be recognised as revenue	89,446	80,539	72,124	64,823	58,205	201,214	204,912	771,263

	31/12/24							
(in thousands of EUR)	1 year or less	1-2 year	2-3 years	3-4 years	4-5 years	5-10 years	more than 10 years	TOTAL
Remaining CSM from insurance contracts estimated to be recognised as revenue	100,001	90,446	82,044	74,319	67,303	231,165	246,843	892,120

6.6. Provisions and contingent liabilities

1. Analysis of movements

(in thousands of EUR)	Pensions and other employment defined benefit obligations[1]	Other long term employee benefits	Restructuring [2]	Provisions for litigations [3]	Onerous contracts	impairment on financial guarantees and commitments given[4]	Other provisions	Total
AS AT 1 JANUARY 2023	181,675	23,292	28,983	20,820	1,779	172,222	65,151	493,922
Additional provisions[2]	75,087	4,468	19,630	6,125	0	159,144	11,592	276,045
Amount used [3]	(97,984)	(4,692)	(10,813)	(14,117)	(204)	0	(15,835)	(143,646)
Unused amounts reversed	0	(118)	(5,406)	(1,363)	0	(119,993)	(242)	(127,123)
Change in scope of consolidation (out)	0	0	(0)	0	0	0	(2)	(2)
Transfers	31,416	0	0	0	0	(36,753)	0	(5,337)
Remeasurement pension plans[1]	(7,759)	0	0	0	0	0	0	(7,759)
Foreign exchange adjustments	0	0	0	0	0	(241)	0	(241)
AS AT 31 DECEMBER 2023	182,435	22,950	32,393	11,465	1,575	174,379	60,664	485,860

(1)The revaluation of the pension liabilities results from the positive return on plan assets and from experience gains, partially offset by the negative impact of a decrease of the discount rate and of the effect of asset ceiling.
(2) The restructuring provision, consisting of staff expenses and network costs, is used in line with agreed plans and is reviewed annually and adjusted, where necessary. Additional provisions are mainly composed of a restructuring provision for the transformation plan in line with Belfius development program.
(3) Belfius Insurance accounted for a provision of EUR 8.5 million in 2022 related to the termination of a collaboration agreement that has been settled in the course of 2023.
(4) Refer to table 9.2.8. Movements in allowances for credit losses for further information.

(in thousands of EUR)	Pensions and other employ-ment defined benefit obligations[1]	Other long term employee benefits	Restruc-turing [2]	Provisions for litigations	Onerous contracts	impairment on financial guarantees and commit-ments given[3]	Other provisions	Total
AS AT 1 JANUARY 2024	182,435	22,950	32,393	11,465	1,575	174,379	60,664	485,860
Additional provisions[2]	79,291	5,864	24,879	8,171	160	137,957	12,774	269,097
Amount used	(65,146)	(4,644)	(12,743)	(2,768)	(241)	0	(9,452)	(94,994)
Unused amounts reversed	(2)	(286)	(9,013)	(1,856)	0	(140,005)	(2,428)	(153,590)
Transfers	9,253	0	0	0	0	(47,982)	0	(38,729)
Remeasurement pension plans[1]	38,306	0	0	0	0	0	0	38,306
Foreign exchange adjustments	0	0	0	0	0	355	0	355
Other movements	0	0	(0)	0	0	0	0	0
AS AT 31 DECEMBER 2024	244,137	23,883	35,516	15,012	1,495	124,703	61,558	506,305

(1)The revaluation of the pension liabilities results from the return on plan assets, experience gains and the negative impact of a decrease of the discount rate.
(2) The restructuring provision, consisting of staff expenses and network costs, is used in line with agreed plans and is reviewed annually and adjusted, where necessary. Additional provisions are mainly composed of a restructuring provision for the transformation plan in line with Belfius development program.
(3) Refer to table 9.2.8. Movements in allowances for credit losses for further information.

2. Post-employment benefits

In Belgium, each employee is eligible for a state pension. In addition, Belfius provides pension plan benefits for its employees and in some cases reimburses certain medical costs for retired employees.

The liability for those benefits is calculated and booked into our accounts according to the IAS 19-methodology.

Considering that Belfius has benefit plans mainly for employees located in Belgium, the post-employment benefits are subject to the Belgian market practice and regulations (the plans abroad are not substantial).

Pension plan benefits are mainly settled through the payment of a lump sum even though the option exists to receive a payment as an annuity.

Additional pension plans

A collective labor agreement was concluded by Belfius Bank on 10 June 2019 within the framework of the “Drive 2020” project. In the Reward 2.0 section a new methodology was agreed for the salary evolution of employees and executives. In accordance with this new methodology, the hypotheses for future wage evolution have also been adjusted. Additionally, the collective agreement stipulated that as from 1 July 2019 each new employee of Belfius Bank will be affiliated to a new defined contribution plan. This plan is financed by employer contributions that are similar to those of the Belfius Insurance defined contribution plan.

Defined Benefit plans

Under Defined Benefit plans (DB), the benefit upon retirement is defined based on various factors such as the employee’s length of service and salary.

Before 2007 all pension plans of Belfius were defined benefit plans. Belfius employees built up rights in these defined benefit plans, which could vary according to the date of entry into service and according to the entity in which the employees were employed.

As from 1 January 2007 new employees in Belfius Bank were no longer granted access to a defined benefit plan. Instead, a defined contribution plan was introduced.

Moreover, since 1 October 2013 the existing defined benefit plans of Belfius Bank have been fully closed. In other words, each employee became affiliated to the existing defined contribution plan. From that date, no additional benefits are obtained based on years of service in the defined benefit plans of Belfius Bank and these plans are managed dynamically. This means that although they are fully closed, the final benefit continues to be impacted by salary increases.

Belfius Insurance had a similar evolution as Belfius Bank: as from 1 January 2007 new employees joined a defined contribution plan. However, the employees who entered before that date kept their defined benefit plan as active plan and continue to build up rights into this defined benefit plan. Most pension plans of Belfius Insurance are internally insured and consequently, the non qualifying assets of these pension plans are not included in the reporting of the net pension liabilities.

Defined Contribution plans

Under Defined Contribution plans (DC), the benefit upon retirement depends on both employer and employee contributions to the plan, the return allocated on these contributions, and the return guarantees determined by law. Belgian defined contribution pension plans are by Belgian law subject to minimum guaranteed rates of return, borne by the employer, on employer contributions and on employee contributions.

This minimum guaranteed return implies that Belgian defined contribution plans are defined benefit plans according to IAS 19.

There are several defined contribution plans within Belfius Bank. The main defined contribution plan is funded by employer and employee contributions. Employer contributions made to the plan are based on seniority and salary. Employee contributions are a fixed percentage of salary.

Belfius Bank's new "fixed contribution" plan that applies to employees recruited as from 1 July 2019 is funded by employer contributions. Different contribution percentages apply on the part of the salary below or above the maximum limit for calculating the statutory pension. The defined contribution plans of Belfius Bank are all managed in an OFP (Organism for Financing of Pensions).

Belfius Insurance also has defined contribution pension plans (branch 21) for their employees (internal insured plans).

For Belfius Insurance the guaranteed return on contributions is since 2018 based on the Belgian legal interest rates.

Belgian Law stipulates that for the defined contribution plans that are managed through a branch 21 group insurance contract, the so-called horizontal method is applicable. The contributions retain their initial employers guarantee until the final payout. This means that the accrued reserves as at 31 December 2015 are still subject to their guaranteed return of 3.75% on employee contributions and 3.25% on the employer contributions until departure. For contributions from 1 January 2016 onwards, the guarantee has become variable. This guarantee can change in the future in function of the OLO 10 years interest rate. In a branch 21 insurance product, the insurance company guarantees a fixed return. The interest rate that insurance companies may guarantee is limited by legislation. The current maximum interest rate is 2%. For 2025, the maximum guaranteed interest that insurers may offer with their savings insurance policies (branch 21) will increase from 2 to 2.5 percent.

For the defined contribution plans that are managed in an OFP the so-called vertical method is applicable. This means that the guarantee of 3.25% on employers contributions and 3.75% on employee contributions only applies until 31 December 2015. From 2016 until end 2024, a minimum return guarantee of 1.75% applies to the accrued reserves as well as to the new contributions. From 1 January 2025 onwards, the minimum return guarantee is 2.5%.

The horizontal method applies to the defined contribution plans of Belfius Insurance, whereas the vertical method applies to Belfius Bank. Moreover, as soon as employees leave Belfius Bank, the minimum return guarantee changes to 0%.

The Belgian defined contribution plans are treated as defined benefit plans for the consolidated financial statements. This implies that the Projected Unit Credit method (with or without future contributions) has to be applied in order to determine the present value of the liability (i.e. the Defined Benefit Obligation of DBO).

Since the contribution rates of the main DC-plan for employees recruited before 1 July 2019 increase with seniority, the determination of liabilities are calculated upon the "Projected Unit Credit" method with future contributions.

This means that the projected benefit at the end of the career is calculated taking into account the future contributions and the salary increases until payout.

The Defined Benefit Obligation (DBO) is obtained by using the ratio of past service time to the projected service time and by performing an actualisation using the applicable discount rate.

For the other DC-plans of Belfius, the calculation of the benefits for past service is only based on past contributions. In other words, the projected benefits already refers to the existing service time and the already paid contributions. The Defined Benefit Obligation is obtained by discounting these benefits using the appropriate discount rate.

For DC-plans, the calculated DBO is compared to the individual participants fair value of assets and the highest value is taken into account as Belfius' obligation.

Note that Belfius identified a new target operating model for its IT infrastructure organisation whereby Belfius insourced as of 1 January 2024 certain activities formerly performed by PI². Employment contracts of the PI² employees who are dedicated to performing the transferred services to Belfius, have been transferred. Belfius took over the employees with all existing rights and seniority, in accordance with the provisions of the Collective Bargaining Agreement (CBA) 32 bis, including pension obligations.

A. Movement in the defined benefit liability (asset)

(in thousands of EUR)	Present value of obligation	Plan assets at fair value	Deficit/ (surplus)	Asset ceiling	Net liability/ (asset)
AS AT 1 JANUARY 2023	1,661,644	(1,498,143)	163,501	9,980	173,480
Service cost					
Current service cost	66,495	0	66,495	0	66,495
Past service cost and (gain)/loss on settlements	0	0	0	0	0
Administrative expenses	0	2,607	2,607	0	2,607
Interest income – Interest expense	65,563	(60,051)	5,512	469	5,981
(A) EXPENSE AND INCOME RECOGNISED IN P&L	132,058	(57,444)	74,614	469	75,083
Remeasurements (gain)/loss					
Effect of changes in demographic assumptions	(105)	0	(105)	0	(105)
Effect of changes in financial assumptions	69,901	0	69,901	0	69,901
Effect of experience adjustments	(15,420)	0	(15,420)	0	(15,420)
Return on plan assets (excl. interest income)	0	(63,761)	(63,761)	0	(63,761)
Changes in the effect of asset ceiling (excluding interest income/ expense)	0	0	0	1,627	1,627
(B) REMEASUREMENTS (GAIN)/LOSS RECOGNISED IN OCI(1)	54,376	(63,761)	(9,385)	1,627	(7,758)
DEFINED BENEFIT COST INCLUDED (A)+(B)	186,434	(121,205)	65,229	2,096	67,325
Contributions					
Employer	0	(92,021)	(92,021)	0	(92,021)
Plan participants	3,060	(3,060)	0	0	0
Benefit payments	(108,437)	102,474	(5,963)	0	(5,963)
Settlement payments	0	0	0	0	0
Effect of business combinations and disposals	17,427	(17,427)	0	0	0
Foreign exchange adjustments	830	(1,024)	(194)	197	3
AS AT 31 DECEMBER 2023(2)(3)	1,760,957	(1,630,405)	130,552	12,272	142,825

(1) The revaluation of the pension liabilities results from the positive return on plan assets and from experience gains, partially offset by the negative impact of a decrease of the discount rate and of the effect of asset ceiling.
(2) At the end of 2023,
→ 91.1% of the total pension liabilities are related to funded pension plans,
→ 7.5% are related to non-qualifying assets, and
→ 1.4 % are related to unfunded pension liabilities.
(3) The net liability represents the total position of pension plans. EUR 182.4 million concerns "pension and other employment defined benefit obligations" and EUR 39.6 million concerns "other assets - plans assets" for the plans ending with a net asset balance as at end 2023.

(in thousands of EUR)	Present value of obligation	Plan assets at fair value	Deficit/ (surplus)	Asset ceiling	Net liability/ (asset)
AS AT 1 JANUARY 2024	1,760,957	(1,630,405)	130,552	12,272	142,825
Service cost					
Current service cost	72,653	0	72,653	0	72,653
Past service cost and (gain)/loss on settlements	0	0	0	0	0
Administrative expenses	0	2,600	2,600	0	2,600
Interest income – Interest expense	58,327	(54,780)	3,547	490	4,037
(A) EXPENSE AND INCOME RECOGNISED IN P&L	130,980	(52,179)	78,801	490	79,291
Remeasurements (gain)/loss					
Effect of changes in demographic assumptions	(108)	0	(108)	0	(108)
Effect of changes in financial assumptions	7,766	0	7,766	0	7,766
Effect of experience adjustments	18,333	0	18,333	0	18,333
Return on plan assets (excl. interest income)	0	16,007	16,007	0	16,007
Changes in the effect of asset ceiling (excluding interest income/ expense)	0	0	0	(3,688)	(3,688)
(B) REMEASUREMENTS (GAIN)/LOSS RECOGNIZED IN OCI[1]	25,991	16,007	41,998	(3,688)	38,309
DEFINED BENEFIT COST INCLUDED (A)+(B)	156,971	(36,173)	120,798	(3,198)	117,600
Contributions					
Employer	0	(59,347)	(59,347)	0	(59,347)
Plan participants	3,016	(3,016)	0	0	0
Payments					
Benefit payments	(133,499)	127,404	(6,095)	0	(6,095)
Settlement payments	0	0	0	0	0
Other					
Effect of business combinations and disposals	0	0	0	0	0
Foreign exchange adjustments	1,056	(983)	73	224	297
AS AT 31 DECEMBER 2024[2][3]	1,788,500	(1,602,520)	185,981	9,298	195,279

(1) The revaluation of the pension liabilities results from the return on plan assets, experience gains and the negative impact of a decrease of the discount rate.
(2) At the end of 2024,
→ 90.5% of the total pension liabilities are related to funded pension plans,
→ 8.1% are related to non-qualifying assets, and
→ 1.4 % are related to unfunded pension liabilities.
(3) The net liability represents the total position of pension plans. EUR 244.1 million concerns "pension and other employment defined benefit obligations" and EUR 48.9 million concerns "other assets - plans assets" for the plans ending with a net asset balance as at end 2024.

B. Fair value of plan assets

(in thousands of EUR)	31/12/23	31/12/24
Plan assets at fair value		
Cash and cash equivalents	9,167	9,052
Equity instruments	209,241	237,659
Debt securities	1,316,024	1,276,444
Real estate	3,618	891
Insurance contracts	92,355	78,474
TOTAL	1,630,405	1,602,520

C. Assumptions for Belgian plans

	31/12/23	31/12/24
Discount rate	3.25% - 3.55%	2.75% - 3.40%
Inflation rate	2.20%	2.20%
Salary growth (age related)	0.35% - 3.75 %	0.35% - 3.75%

The discount rate is based on the Mercer Yield Curve (which reflects the AA corporate bond yield curve).

The inflation parameter is based on an internally developed inflation model in which internal metrics and an external metric (i.e. the European Central Bank's inflation target) are taken into account.

Belfius uses the Belgian mortality tables that through age corrections are adapted to the current longevity.

D. Sensitivity[1] of the present value of the Defined Benefit Obligation at end of year to changes of assumptions

	-50 bps	+50 bps
Discount rate	3.48%	-3.53%
Inflation rate	-2.32%	1.85%
Real salary increase	-3.96%	-0.89%

(1) If all other assumptions are held constant.

E. Weighted average duration of the benefit obligation

(in years)	31/12/23	31/12/24
Belgium	8.58	8.85

F. Risks and ALM

The key risks to which pension plans managed by the Belfius pension fund (OFP) are exposed, relate to interest rate, inflation, longevity and age of retirement. The management of the pension plans is monitored by an "Investment Committee" and falls under the supervision of the OFP's Board of Directors and is mainly liability driven in its investment policy. A formalised investment framework ("Statement of Investment Principles") ensures a well-diversified and dedicated investment portfolio. The pension liabilities are evaluated at least once a year. On a regular basis, an ALM study (with cash flow analysis and stress tests) is performed to determine and analyse the sensitivities of the plans to i.e. interest rate and inflation shocks. These form an important factor in the investment committee's advice to the Board of Directors for its deliberations on the strategic asset allocation of the investment portfolio. Day-to-day management of this portfolio and the plans' liquidity aspects have been entrusted to an external asset manager who, on a regular basis, delivers a report of its activities to the investment committee as well as to the OFP Board of Directors on an annual basis.

The pension plans managed as group insurance branch 21 have the same risks, but the risks of interest rate and longevity are partly covered by the insurer.

3. Contingent liabilities and legal litigations

A. Commitments to Single Resolution Fund

Belfius has opted in the past to pay part of its contribution of the Single Resolution Fund through an Irrevocable Payment Commitment. This payment commitment is fully covered by cash collateral. See also note 8.5. "Commitments to Single Resolution Fund".

B. Commitments to Belfius Bank Branches

As a result of the amended company legislation, the legal form of the Belfius branches has been converted from Cooperative Society (CVBA) to Limited Liability Company (Commanditaire Vennootschap (CommV)) as from 2020. In this context, as from 1 January 2020, Belfius Bank grants a guarantee to the managing partners of these limited partnerships for their unlimited liability.

C. Legal litigations

Belfius (Belfius Bank and its consolidated subsidiaries) is involved as a party in a number of litigations in Belgium, arising in the ordinary course of its business activities, including those where it is acting as an insurer, capital and credit provider, employer, investor and taxpayer.

Belfius recognises provisions for such litigations when, in the opinion of its management taking into account all available elements, including an analysis by its company lawyers and external legal advisors as the case may be,

- a present obligation has arisen as a result of past events;
- it is probable that Belfius will have to make a payment; and
- the amount of such payment can be estimated reliably.

With respect to certain other litigations against Belfius, of which management is aware, no provision has been made according to the principles outlined here above, as the management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending litigations, such litigations are without legal merit, can be successfully defended, or that the outcome of these actions is not expected to result in a significant loss.

In the opinion of Belfius, the most important cases are listed below, regardless of whether a provision has been made or not. Their description does not deal with elements or evolutions that do not have an impact on the position of Belfius. If the cases listed below were to be successful for the opposite parties, they could eventually result in monetary consequences for Belfius. For litigations for which no provision has been made, such impact remains unquantifiable at this stage.

1. Arco - Cooperative shareholders

Various parties, including Belfius Bank, have been summoned by Arco - Cooperative shareholders in three separate procedures, i.e:

1. A procedure before the Dutch speaking Commercial Court of Brussels (Procedure C.C. Deminor);
2. A procedure before the Court of First Instance of Brussels (Procedure C.F.I. ArcoClaim 2018);
3. A procedure before the Court of First Instance of Brussels (Procedure C.F.I. Deminor 2022)

1.1. Procedure C.C. Deminor

On 30 September 2014, 737 shareholders from 3 companies of the Arco Group (Arcopar, Arcoplus and Arcofin) initiated (with support of Deminor) proceedings against the Arco entities and Belfius Bank before the Dutch speaking Commercial Court of Brussels (the "Deminor Proceedings"). On 19 December 2014, 1,027 additional shareholders of the Arco entities joined in the Deminor Proceedings. On 15 January 2016, 405 additional shareholders of the Arco entities joined the Deminor Proceedings, resulting in a total of 2,169 plaintiffs. On 16 November 2020, a further "Deminor" procedure was initiated, in which all plaintiffs except one joined, to anticipate a possible nullity of the original summons. The content of the two proceedings is identical. As a result, they are treated together.

The plaintiffs have requested that the Brussels Court rules, among other things:

- in first order, that the agreements by virtue of which they became shareholders of the relevant Arco entities are null and void as a consequence of an alleged defect in consent;
- that the defendants should therefore, in solidum, reimburse the plaintiffs for their financial contribution in these entities plus interest;
- in the alternative, a compensation is asked to Belfius Bank for an alleged violation of the information duty; and
- that the defendants are liable for certain additional damages to the plaintiffs.

The historical financial contribution of the 2,169 plaintiffs to the Arco Group entities, for which reimbursement is claimed, amounted to approximately EUR 6.5 million (principal amount). The plaintiffs' claims in the Deminor Proceedings are based on allegations of fraud and/or error on the part of the Arco entities and Belfius Bank. In the alternative, the plaintiffs have argued that Belfius Bank breached its general duty of care as a normal and prudent banker. In relation to Belfius Bank, the plaintiffs have referred to certain letters and brochures allegedly containing misleading information issued by the predecessors of Belfius Bank. The Belgian State, DRS Belgium (Deminor) and the Chairman of the Management Board of the Arco entities are also defendants in the proceedings before the Commercial Court of Brussels. In the meantime, the VZW Arcoclaim also intervened in this litigation procedure (on grounds of an alleged transfer of claim by one of the plaintiffs/Arco shareholders). The case has been pleaded during several pleading sessions in June 2021. In its decision announced on 3 November 2021, the Dutch-speaking Commercial Court of Brussels rejected all the claims of the Arco shareholders.

The Arco shareholders have launched appeal against this judgement. The case is now pending before the Court of Appeal in Brussels. A pleading calendar has been determined. A pleading hearing is currently expected at the earliest in the second half of 2028.

1.2. Procedure C.F.I. ArcoClaim 2018

On 7 February 2018, 2 Arco shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State has made a fault by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco shareholders) which has been considered illicit state aid by the European Commission. These 2 plaintiffs also summoned Belfius Bank on 8 February 2018 to intervene in this procedure and claim compensation from Belfius Bank because they consider that Belfius Bank erred in the sale of the Arco shares. Groups of Arco shareholders organized themselves via social media to mobilize other Arco shareholders to become claimant in this procedure. The VZW Arcoclaim also intervenes in this litigation procedure.

In this procedure VZW Arcoclaim had requested the initiation of a mediation procedure before the court, but this request has been dropped in May 2023. In the meantime, to date, ArcoClaim has declared that 7.258 Arco shareholders have joined ArcoClaim, in addition to 5.334 Arco shareholders already being part of ArcoClaim.

No pleading calendar has been fixed yet.

1.3. Procedure C.F.I. Deminor 2022

On 14 December 2022, 10 Arco shareholders have launched a new judicial procedure with the assistance of Deminor against the Arco-companies, the Belgian State and Belfius before the Court of First Instance in Brussels, in which they ask the defending parties to be condemned to indemnification based on extra-contractual liability, equal to claimant's financial contribution including interests, dividends, and possible bonus reserves, as well as a supplementary indemnification for moral damages. In the meanwhile, to date, a total of 13.678 Arco shareholders have joined this procedure. ArcoClaim vzw also joined the procedure for one of its members..

On a hearing held on 21 March 2024, parties agreed on a procedural calendar that will first focus on the admissibility of the claims. A relay hearing is expected to be held on 10 December 2027.

No provision has been booked for these claims.

2. Investigations into Panama Papers

These paragraphs are mentioned for completeness only, although the matters below do not comprise a litigation. On 5 December 2017, a police search under the lead of an examining magistrate of Brussels (onderzoeksrechter/juge d'instruction) took place at Belfius Bank's head office in the framework of the Belgian "Panama Papers" Parliamentary Commission. The 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 Internationale à 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..

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

On 12 November 2020, public prosecution has been initiated, a.o. against Belfius Bank, for its alleged role in potential fraudulent activities that would have been conducted with the assistance of a director of an independent bank agency of Belfius Bank in violation of several (banking) regulations. After consultation of the criminal file, Belfius continues to believe that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit.

No provision has been booked for this case.

6.7. Subordinated debts

1. Not measured at fair value through profit or loss

	Amortised Cost	
(in thousands of EUR)	31/12/23	31/12/24
CONVERTIBLE SUBORDINATED DEBT	0	0
NON-CONVERTIBLE SUBORDINATED DEBT	1,777,995	2,319,828
Loan capital perpetual subordinated notes	73,125	73,125
Loan capital non-perpetual subordinated notes	1,704,870	2,246,703
TOTAL	1,777,995	2,319,828
HYBRID CAPITAL AND REDEEMABLE PREFERENCE SHARES	0	0

Subordinated debts increased by EUR 542 million, or 30.5%, to EUR 2.3 billion (31 December 2023: EUR 1.8 billion) as a result of the issuance of EUR 500 million Tier 2 notes in March 2024.

2. Measured at fair value through profit or loss

Nil.

3. Analysis cash flows and non-cash changes

(in thousands of EUR)	31/12/23	31/12/24
OPENING BALANCE	1,547,204	1,777,995
CASH FLOWS		
Issuance of subordinated debts	495,965	531,689
Repayments of subordinated debts	(266,452)	0
NON-CASH CHANGES		
Foreign exchange adjustments	(13,904)	(5,032)
Effective Interest rate	15,182	15,176
CLOSING BALANCE	1,777,995	2,319,828

In March 2024 Belfius issued Tier 2 subordinated notes amounting to EUR 500 million.

In January 2023 Belfius issued Tier 2 subordinated notes amounting to EUR 500 million. Furthermore, Belfius called Tier 2 subordinated loans amounting to EUR 200 million in March 2023, EUR 50 million in July 2023 and EUR 17.5 million in December 2023.

4. Analysis by maturity and interest rate

See notes 9.4., 9.5. and 9.6.

5. Analysis of the fair value

See note 9.1.

6. Data for each subordinated debt

Ref.no.	Curren-cy	Amount in thousands of currency units	Maturity date or method for determining the duration	a) Circumstances for early redemption b) Conditions for subordination c) Conditions for convertibility	Conditions of compensations	Value in regulatory capital in thousands EUR
1.(1)	JPY	10,000,866	11/09/25	a) not applicable b) no specific conditions c) none	6.1%, multicurrency	8,549
2.(1)	JPY	10,000,669	11/09/25	a) not applicable b) no specific conditions c) none	6.05%, multicurrency	8,549
3.(2)	EUR	73,125	Undetermined Call date: 1/1/2025	a) possible with the agreement of the ECB, from the date of the call, then at the end of each year b) no specific conditions c) none	6.25% till 01/01/25, then Euribor 3m + 417 bp	37,578
4.	EUR	560,288	11/05/26	a) not applicable b) no specific conditions c) none	3.125%	152,192
5.(3)	EUR	103,990	Undetermined Call date: 4/16/2025	a) possible with the agreement of the ECB, from the date of the call, then semi-annually b) no specific conditions c) none	3.625% till call date, then EUR Midswap 5y + 294bp	0
6.	EUR	502,519	6/04/34 Call date: from 06/01/29 to 06/04/29	a) possible with the agreement of the ECB, at the date of the call b) no specific conditions c) none	1.25% till call date, then EUR Midswap 5y + 130bp	502,519
7.	EUR	515,216	19/04/33 Call date: from 19/01/28 to 19/04/28	a) possible with the agreement of the ECB, at the date of the call b) no specific conditions c) none	5.25% till call date, then EUR Midswap 5y + 245bp	515,216
8.	EUR	510,867	11/06/35 Call date: from 11/03/30 to 11/06/30	a) possible with the agreement of the ECB, at the date of the call b) no specific conditions c) none	4.875% till call date, then EUR Midswap 5y + 220bp	510,867
9.	EUR	510,867	4/11/36	a) not applicable b) no specific conditions c) none	4.25%	34,900
10.(4)	EUR	496,700	Undetermined Call date: from 6/5/31 to 6/11/31	a) possible with the agreement of the ECB, at the date of the call b) no specific conditions c) none	6.125% till call date, then EUR Midswap 5y + 292,8bp	496,700

(1) As the interest structure embedded in the contract is considered as not closely related to the host contract; it has been bifurcated and is presented as a separate derivative on the balance sheet.
(2) Belfius gave notice in February 2025 that the entirety of the outstanding amount (EUR 104.6 million) of the Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities issued on 1 February 2018 will be called at their principal amount on 16 April 2025. We refer to 8. Post balance sheet events in Financial results in the Management report..
(3) Issue of EUR 500 million (nominal value) Additional Tier-1 instruments (AT1) of 2018, was partially bought back and no longer qualifies as prudential Additional Tier1 capital under CRR2/CRD5 at 31/12/2024. The AT1 security has been analysed in respect with IAS 32 and is considered as an equity instrument and is not included in the total of the disclosure 6.7. (subordinated debts).
(4) Issue of EUR 500 million (nominal value) Additional Tier-1 instruments (AT1) of November 2024, that qualifies as prudential Additional Tier1 capital under CRR2/CRD5. The AT1 security has been analysed in respect with IAS 32 and is considered as an equity instrument and is not included in the total of the disclosure 6.7. (subordinated debts).

6.8. Other liabilities

(in thousands of EUR)	31/12/23	31/12/24
OTHER LIABILITIES (NOT RELATING TO INSURANCE ACTIVITIES)	**1,596,218**	**1,531,899**
Accrued costs	90,720	81,584
Deferred income	55,170	65,178
Subsidies	0	0
Other granted amounts received	11	9
Salaries and social charges (payable)	179,655	187,868
Shareholder dividends payable	0	0
Operational taxes	104,754	113,116
Long-term construction contracts	0	0
Pending payments to clients and debts to service providers	652,004	532,882
Pending payments from lease contracts	168,443	182,134
Pending payments from factoring activities	345,461	369,129
OTHER LIABILITIES SPECIFIC TO INSURANCE ACTIVITIES	**81,389**	**78,662**
Debts for deposits from assignees	12,588	11,883
Debts resulting from direct insurance transactions	56,108	61,948
Debts resulting from reinsurance transactions	12,341	4,463
Other insurance liabilities	352	368
TOTAL	1,677,607	1,610,562

Other liabilities decreased compared to 2023 mainly due to a decrease in pending payments to clients and debts to service providers and accrued costs, partially compensated by an increase pending payments from factoring activities and lease contracts.

VII. Notes on the consolidated statement of income

(some amounts may not add up due to rounding)

Significant items included in the statement of income
We refer to the chapter "Financial results" in the management report.

7.1. Interest income – interest expense

(in thousands of EUR)	31/12/23	31/12/24
INTEREST INCOME	6,868,486	8,135,464
INTEREST INCOME OF FINANCIAL ASSETS MEASURED AT AMORTISED COST	4,852,282	5,384,819
Cash and balances with central banks	1,137,477	975,026
Loans and advances due from credit institutions	164,215	230,192
Loans and advances	3,140,642	3,627,878
Debt securities issued by public sector	168,153	176,440
Other debt securities	240,582	375,126
Other	1,214	157
INTEREST INCOME OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OCI	339,161	378,880
Loans and advances	112,635	121,206
Debt securities issued by public sector	162,197	178,533
Other debt securities	64,330	79,141
INTEREST INCOME OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	1,675,597	2,371,732
Financial assets held for trading	3,297	2,201
Non-trading financial assets mandatorily measured at fair value	62,611	62,572
Loans and advances	29,883	22,224
Debt securities issued by public sector	182	72
Other debt securities	32,546	40,276
Derivatives held for trading	225,343	277,266
Derivatives as hedging instruments	1,384,345	2,029,694
INTEREST INCOME ON FINANCIAL LIABILITIES (NEGATIVE YIELD)	1,446	33
INTEREST EXPENSE	(4,442,285)	(5,795,913)
INTEREST EXPENSE OF FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	(2,074,917)	(2,761,062)
Cash and balances with central banks	(126,095)	(13,134)
Credit institutions borrowings and deposits	(341,315)	(297,225)
Customers borrowings and deposits	(1,042,375)	(1,512,953)
Debt securities issued	(502,470)	(856,070)
Lease liabilities	(799)	(835)
Subordinated debts	(57,122)	(75,426)
Other	(4,741)	(5,420)
INTEREST EXPENSE OF FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	(2,366,948)	(3,034,457)
Financial liabilities held for trading	(2,212)	(1,192)
Financial liabilities designated at fair value	(97,571)	(144,762)
Derivatives held for trading	(436,687)	(487,643)
Derivatives as hedging instruments	(1,830,477)	(2,400,859)
INTEREST EXPENSE ON FINANCIAL ASSETS (NEGATIVE YIELD)	(420)	(394)
NET INTEREST INCOME[1]	2,426,201	2,339,551

(1) Interest income and expense are recognised on an accrual basis in the statement of income for all interest bearing instruments using the effective interest rate method. We refer to chapter Accounting principles.

Net interest income decreased by EUR 86.7 million, or -3.6%, to EUR 2,340 million (31 December 2023: EUR 2,426 million) despite a positive reinvestment rate effect, due to the shift from non-maturing to maturing deposits in response to an increase in interest rates, margin pressure on loans in a competitive Belgian loan market and abolition, since September 2023, of interest on minimum monetary reserves deposited at ECB.

The interest expense on TLTRO III funding from ECB/NBB central bank and accounted for in 2024 amounts to EUR -13 million (compared to EUR -126 million in 2023). Note that full repayment of TLTRO III has been made end of March 2024.

7.2. Fee and commission income – expense

	31/12/23			31/12/24		
(in thousands of EUR)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Commissions on unit trusts and mutual funds managed by third parties	393,109	(65,901)	327,209	428,991	(69,754)	359,237
Insurance activity	127,825	(5,369)	122,456	135,451	(7,207)	128,244
Credit activity	52,826	(8,151)	44,675	68,053	(8,646)	59,407
Purchase and sale of securities	14,179	(1,204)	12,975	16,539	(1,368)	15,171
Purchase and sale of unit trusts and mutual funds	32,402	0	32,402	38,052	0	38,052
Payment services	243,064	(87,583)	155,481	251,002	(103,392)	147,610
Commissions to not exclusive brokers	1,261	(11,686)	(10,426)	1,253	(11,590)	(10,338)
Services on securities other than safekeeping	5,525	(1,908)	3,618	6,274	(2,004)	4,270
Custody	26,251	(5,200)	21,052	26,872	(5,589)	21,283
Issues and placements of securities	19,515	(2,654)	16,860	5,148	(2,682)	2,466
Servicing fees of securitisation	146	0	146	134	0	134
Advisory services and discretionary management	45,864	(981)	44,883	55,547	(1,116)	54,431
Private membership fees	9,732	0	9,732	12,204	0	12,204
Clearing and settlement	2,788	(6,251)	(3,463)	1,577	(5,242)	(3,665)
Securities lending	832	(23)	809	41	(5)	36
Financial guarantees	3,303	(2,938)	365	3,292	(3,005)	287
Beyond banking and insurance	1,650	(1,512)	138	3,424	(1,153)	2,271
TOTAL	980,274	(201,362)	778,912	1,053,855	(222,753)	831,102

Net fee and commission income increased by EUR 52.2 million, or 6.7%, to EUR 831 million (31 December 2023: EUR 779 million). The increase is mainly attributable to higher service fee income from asset management services (EUR +38 million) and advisory services and discretionary management (EUR +10 million) following an increase in net asset values explained by organic growth and positive market effects. Furthermore there is an increase in net commission income from insurance activity (EUR +6 million) explained by the launch of a new branch 21 product in Life and the organic growth in Non-Life. These positive impacts are partially compensated by a decrease in the net commissions earned on payment services (EUR -8 million) explained by the implementation of the mutualized ATM system ("Batopin") and a decrease in commission on issues and placements of securities (EUR -14 million) due to a decrease in debt and equity capital markets transactions in 2024 and the fee (EUR +7,6 million) recognized in 2023 in relation to the "Government bond".

7.3. Insurance results

1. Insurance revenue

(in thousands of EUR)	31/12/23	31/12/24
CONTRACTS NOT MEASURED UNDER THE PAA	**359,784**	**322,890**
Amounts related to changes in liabilities for remaining coverage	341,133	303,290
Premium variance for past and current service	78,482	30,685
CSM recognised for services provided	95,298	105,834
Change in risk adjustment for non-financial risk for risk expired	7,034	7,062
Incurred claims expected and other insurance service expenses	160,319	159,710
Recovery of insurance acquisition cash flows	18,650	19,600
CONTRACTS MEASURED UNDER THE PAA	**826,857**	**891,018**
TOTAL INSURANCE REVENUE	1,186,641	1,213,907

2. Insurance service expenses

See note 6.5.

3. Net expenses from reinsurance contracts

See note 6.5.

4. Insurance finance result

See note 6.5.

7.4. Dividend income

(in thousands of EUR)	31/12/23	31/12/24
Financial assets held for trading	17,217	20,304
Financial assets measured at fair value through other comprehensive income	40,068	56,370
Non-trading financial assets mandatorily measured at fair value through profit or loss	0	2
TOTAL	57,285	76,676

7.5. Net income from equity method companies

(in thousands of EUR)	31/12/23	31/12/24
Income from equity method companies before tax	9,024	50,786
Share of tax	(171)	(278)
Impairments	(1,326)	0
TOTAL	7,527	50,508

Net income from equity method companies increased by EUR 43 million to EUR 50.5 million in 2024 and stems mainly from the increase in result of Isabel following the sale of its participation in Finca Group (EUR 49 million).

Note that Belfius applies a simplified consolidation method for participations that are considered immaterial. The dividends received from these participations are presented and accounted for in the income statement line “Net income from equity method companies” and amount to EUR 1.5 million in 2024 compared to EUR 8.1 million in 2023 following an exceptional dividend.

7.6. Net income from financial instruments at fair value through profit or loss

(in thousands of EUR)	31/12/23	31/12/24
Net trading income	118,550	73,728
Result of financial assets non-trading mandatorily measured at fair value through profit or loss	(26,454)	11,282
Loans and advances	(28,665)	(507)
Debt securities issued by public sector	322	234
Other Debt securities	2,026	5,282
Equity instruments	(137)	6,272
Net result of financial liabilities designated at fair value through profit or loss and result from the related derivatives (except own credit risk)	540	1,094
Net result of hedge accounting	(39,109)	(1,621)
TOTAL	53,527	84,483

Net income from financial instruments measured at fair value through profit or loss increased by EUR 31.0 million to EUR 84.5 million (31 December 2023: EUR 53.5 million).

Net trading income decreased by EUR -45 million to EUR 74 million end 2024. Note that this line includes the fair value changes of “economic hedges” (financial instruments that cannot be defined as accounting hedges under IFRS) for EUR -27.7 million (31 December 2023: EUR +25 million), including EUR -28 million fair value results on swaps economically hedging the accounting hedge ineffectiveness.

The net income from (non-trading) financial instruments mandatorily measured at fair value through profit or loss increased by EUR 38 million to EUR 11 million end 2024 resulting from the positive fair value evolutions of non-basic loans and bonds following a decrease in interest rates and positive market effects, despite additional fair value adjustments following stress in certain sectors.

The net income of hedge accounting increased by EUR 37 million to EUR -2 million end 2024 and was positively impacted, among other factors, by evolutions on certain basis spreads and basis risks.

The net result on economic hedges of the “result from (non-trading) financial assets mandatorily measured at fair value through profit or loss”, and the “net result of hedge accounting”, are both classified in the line “net trading income”.

Net trading income

Net trading income decreased by EUR 45 million to EUR 74 million end December 2024. This line includes the fair value changes of economic hedges on the “result of financial assets non-trading mandatorily measured at fair value through profit or loss” for EUR +0.3 million, the “results on swaps economically hedging the accounting hedge inefficiencies” for EUR -28 million and the result of the swaps, hedging the foreign exchange risk, for EUR +32 million for which the expense is included in the “net interest income”.

The total amount recorded on the balance sheet as credit value adjustments amounts to EUR -38 million end 2024 (compared to EUR -39 million end 2023), whereas total amount on the balance sheet of the debit value adjustment amounts to EUR 6 million end 2024 (compared to EUR 8 million end 2023). The total amount on the balance sheet related to funding value adjustments amounts to EUR -35 million end 2024 (compared to EUR -38 million end 2023).

The total P&L impact in the line net trading income for credit value adjustments amounted to EUR 0.7 million in 2024 (compared to EUR 12 million in 2023), for debit value adjustments to EUR -1 million in 2024 (compared to EUR -4 million in 2023) and for funding value adjustments to EUR 2 million in 2024 (compared to EUR -3 million in 2023). The main drivers of the XVA changes are the decrease in interest rates and higher credit spreads.

Result of financial assets non-trading mandatorily measured at fair value through profit or loss

The net result from financial instruments mandatorily measured at fair value through profit or loss increased by EUR 38 million. The result of the non-SPPI compliant structured loans as presented in the line "Loans and advances" increased by EUR 28 million to EUR -0.5 million end 2024 were impacted by lower interest rates resulting in positive fair value changes. The "Other Debt securities and equity instruments" increased mainly due to positive fair value changes on funds at Belfius Insurance (considered as non-SPPI compliant bonds). Note that the result of the hedges of these instruments are classified in net trading income.

Net result of hedge accounting

The net result of hedge accounting amounts to EUR -2 million (2023: EUR -39 million) and was impacted, among other factors, by evolutions on certain basis spreads and basis risks.

Belfius is managing risks through additional derivatives (economic hedges) for which no hedge accounting is set up. The result of these hedges is recorded in the net trading income line for an amount of EUR -28 million (2023: EUR -3 million). It mainly relates to swaps hedging the hedge inefficiency.

All effectiveness tests were respected at all times.

Result of hedge accounting

(in thousands of EUR)	31/12/23	31/12/24
FAIR VALUE HEDGES	(29,919)	3,910
Fair value changes of the hedged item attributable to the hedged risk	130,676	(456,949)
Fair value changes of the hedging derivatives	(160,595)	460,859
CASH FLOW HEDGES	0	0
PORTFOLIO HEDGE	(9,191)	(5,531)
Fair value changes of the hedged item	30,003	(398,566)
Fair value changes of the hedging derivatives	(39,193)	393,035
TOTAL	(39,109)	(1,621)

(in thousands of EUR)	31/12/23	31/12/24
DISCONTINUATION OF CASH FLOW HEDGE ACCOUNTING (CASH FLOWS STILL EXPECTED TO OCCUR) – AMOUNTS RECORDED IN INTEREST MARGIN	(70)	(82)

For more details we refer to note 5.6. derivatives

7.7. Net income on investments and liabilities

(in thousands of EUR)	31/12/23	31/12/24
FINANCIAL ASSETS AT AMORTISED COST (NOT IMPAIRED)	**2,586**	**641**
Realised gains on other debt securities	2,586	641
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (NOT IMPAIRED)	**7,609**	**38,318**
Realised gains on loans and advances	730	1,675
Realised gains on debt securities issued by public sector	6,855	35,880
Realised gains on other debt securities	24	764
ASSETS HELD FOR SALE	**2,137**	**30,288**
Realised gains on assets held for sale	2,137	30,288
OTHER	**14,161**	**7,157**
Realised gains on tangible fixed assets	12,536	7,157
Other realised gains	1,625	0
FINANCIAL LIABILITIES AT AMORTISED COST	**1**	**76**
Realised gains on financial liabilities	1	76
TOTAL GAINS	26,495	76,480
FINANCIAL ASSETS AT AMORTISED COST (NOT IMPAIRED)	**(1,151)**	**(661)**
Realised losses on other debt securities	(1,151)	(661)
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (NOT IMPAIRED)	**(32,227)**	**(19,157)**
Realised losses on loans and advances	(3,306)	(3,209)
Realised losses on debt securities issued by public sector	(27,606)	(15,630)
Realised losses on other debt securities	(1,315)	(318)
ASSETS HELD FOR SALE	**(29)**	**(1,813)**
Realised losses on assets held for sale	(29)	(1,813)
OTHER	**(297)**	**(454)**
Realised losses on tangible fixed assets	(297)	(454)
FINANCIAL LIABILITIES AT AMORTISED COST	**(3)**	**(2)**
Realised losses on financial liabilities	(3)	(2)
TOTAL LOSSES	(33,706)	(22,086)
TOTAL NET INCOME ON INVESTMENTS AND LIABILITIES	(7,211)	54,393

Net income on investments and liabilities increased by EUR 61.6 million, to EUR 54 million (31 December 2023: EUR -7 million).

In 2024, Belfius realised capital gains and losses on the sale of tangible fixed assets (EUR 7.2 million), mainly on the sale of several buildings housing bank agencies (EUR 5.5 million). Furthermore, Belfius Bank realised a capital gain on the sale of its minority stake in Cyclis Bike Lease that was consolidated using the equity method (EUR 28.7 million). Belfius Insurance realised capital gains on the sale of bonds for ALM purposes in 2024 amounting to EUR 20 million.

In 2023, Belfius realised capital gains on the sale of tangible fixed assets (EUR 12.5 million), mainly on the sale of a building in Namen (EUR 1.5 million), Ghent (EUR 1.4 million) and on the sale of several buildings housing bank agencies (EUR 7.8 million). Furthermore, Belfius Insurance realised capital losses on the sale of bonds for ALM purposes in 2023 amounting to EUR -24 million, The table below provides a summary of the realised gains and losses from derecognition on not impaired and impaired financial instruments. These realised gains and losses are accounted for in the line-item "Net income on investments and liabilities" (note 7.7.) for not impaired debt instruments and loans and advances measured at fair value through OCI or in the line-item "Impairments on financial instruments and provisions for credit commitments" (note 7.13.) for debt instruments and loans and advances measured at amortised cost, and impaired debt instruments and loans and advances measured at fair value through OCI.

1. Realised gains or losses arising from derecognition of debt instruments measured at amortised cost (impaired and not impaired)

(in thousands of EUR)	31/12/23	31/12/24
REALISED GAINS FROM DERECOGNITION OF NOT IMPAIRED FINANCIAL ASSETS MEASURED AT AMORTISED COST	**2,978**	**1,331**
Realised gains on loans and advances	154	76
Realised gains on debt securities issued by public sector	238	255
Realised gains on other debt securities	2,586	1,000
REALISED GAINS ARISING FROM DERECOGNITION OF IMPAIRED FINANCIAL ASSETS MEASURED AT AMORTISED COST	**18,152**	**53,543**
Realised gains on impaired loans and advances	18,152	21,361
Realised gains on impaired other debt securities	0	32,182
REALISED LOSSES ARISING FROM DERECOGNITION OF NOT IMPAIRED FINANCIAL ASSETS MEASURED AT AMORTISED COST	**(22,815)**	**(1,141)**
Realised losses on Loans and advances	(582)	(429)
Realised losses on debt securities issued by public sector	(227)	0
Realised losses on other debt securities	(22,006)	(712)
REALISED LOSSES ARISING FROM DERECOGNITION OF IMPAIRED FINANCIAL ASSETS MEASURED AT AMORTISED COST	**(17,261)**	**(38,184)**
Realised losses on impaired Loans and advances	(17,261)	(21,371)
Realised losses on impaired other debt securities	0	(16,812)

2. Realised gains or losses arising from derecognition of debt instruments measured at fair value through other comprehensive income (impaired and not impaired)

(in thousands of EUR)	31/12/23	31/12/24
REALISED GAINS FROM DERECOGNITION OF NOT IMPAIRED FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**7,609**	**38,318**
Realised gains on Loans and advances	730	1,675
Realised gains on debt securities issued by public sector	6,855	35,880
Realised gains on other debt securities	24	764
REALISED GAINS ARISING FROM DERECOGNITION OF IMPAIRED FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**715**	**0**
Realised gains on impaired other debt securities	715	0
REALISED LOSSES ARISING FROM DERECOGNITION OF NOT IMPAIRED FINANCIAL ASSETS FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**(32,227)**	**(19,157)**
Realised losses on Loans and advances	(3,306)	(3,209)
Realised losses on debt securities issued by public sector	(27,606)	(15,630)
Realised losses on other debt securities	(1,315)	(318)
REALISED LOSSES ARISING FROM DERECOGNITION OF IMPAIRED FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**0**	**0**

7.8. Other income

(in thousands of EUR)	31/12/23	31/12/24
Operational taxes	149	119
Rental income from investment property	48,322	49,286
Other rental income	6,157	5,793
Other banking and insurance income	18,017	6,383
Write-back of provisions for litigations(1)	15,480	4,560
Real estate projects	1,784	1,963
Asset Finance activities(2)	231,454	274,469
Other income on other activities	98,006	99,703
OTHER INCOME	419,368	442,275

(1) We refer to note 6.6. "Provisions and contingent liabilities" for a detailed description. Please note that the additional provisions for litigations are recorded in other expense (we refer to note 7.9.).
(2) The increase in other income from asset finance activities is stemming from leasing contracts of Belfius Auto Lease.

Other income increased by EUR 23 million compared to 2023 mainly as a result of an increase of the other income from asset finance activities, explained by the increase of the leasing contracts of Belfius Auto Lease.

7.9. Other expense

(in thousands of EUR)	31/12/23	31/12/24
Impairment on inventory	(471)	0
Sector levies(1)	(279,078)	(219,517)
Other levies(2)	(6,126)	(6,488)
Expenses related to investment properties that generated income during the current financial year	(30,002)	(30,921)
Other banking expenses	(4,372)	(2,831)
Provisions for litigations	(5,942)	(7,737)
Real estate projects	(884)	(1,083)
Asset Finance activities(3)	(194,195)	(224,624)
Other expense on other activities(4)	(112,496)	(85,256)
OTHER EXPENSE	(633,566)	(578,456)

(1) Sector levies are specific taxes for financial institutions or insurers, it includes
- the Deposit Guarantee Scheme contributions,
- Subscription tax,
- Financial Stability Contribution and
- the contributions to the Single Resolution Fund.

Belfius has opted in the past to pay part of its contribution to the Single Resolution Fund through an Irrevocable Payment Commitment. This payment commitment was fully covered by cash collateral. Belfius has recorded EUR 30.5 million in its off-balance sheet accounts (stable compared to end 2023). Sector levies on insurance contracts for which IFRS 17 is applicable are recorded in insurance service expense
(2) Other levies include the tax on securities accounts, mainly on Branch 23 funds of Belfius Insurance for EUR 6.3 million.
(3) Other expense from asset finance activities is mainly stemming from leasing contracts of Belfius Auto Lease.
(4) Other expenses on other activities include other operational expenses and other operational taxes.

Other expenses decreased by EUR -55 million compared to 2023 as a result of the decrease in levies (EUR -59 million) due to the absence of the contribution to the Single Resolution Fund in 2024, partially offset by an increase in the other expense from asset finance activities (+EUR 30 million) explained by the increase of the leasing contracts of Belfius Auto Lease.

Belfius recognised an expense of EUR -226 million in 2024 as levies, a decrease of EUR -59 million compared to 2023 due to the absence of the contribution to the Single Resolution Fund in 2024 as the target of the fund (1% of EU covered deposits) was reached. Note that Belfius has an amount of EUR 30.5 million related to Irrevocable Payment Commitments (IPC) for contributions to the Single Resolution Fund in its off-balance sheet per 31 December 2024 as Belfius deems that no present obligation exists.

7.10. Staff expense

(in thousands of EUR)	31/12/23	31/12/24
Wages and salaries	(531,519)	(559,347)
Social security and insurance costs	(150,656)	(160,777)
Pension costs-defined benefit plans(1)	(71,054)	(73,385)
Pension costs-defined contribution plans (1)	(412)	(458)
Other postretirement obligations (reversal / use)	(452)	(383)
Share-based payments	0	0
Other long-term employee benefits	342	(934)
Restructuring expenses (reversal / use)(1)	(4,486)	(4,600)
Other expense	(13,654)	(17,962)
Transfer to insurance service expense(2)	93,056	100,706
TOTAL	(678,835)	(717,142)

(1) We refer to note 6.6. “Provisions and contingent liabilities” for a detailed description.
(2) Under IFRS 17, costs directly attributable to insurance contracts are not recognised within the income statement line “Staff expense”, but are included in the present value of the insurance liabilities and as such included in the income statement line “Insurance service result”.

Staff expense increased by EUR -38.3 million, or 5.6%, to EUR -717 million (31 December 2023: EUR -679 million) due to a growing workforce and salary indexations.

Average FTE as at 31 December 2023	Belgium	Luxembourg	Ireland	Fully consolidated
Senior Executives	190	1	1	192
Employees	6,270	4	5	6,279
TOTAL	6,460	5	6	6,471
of which banking group	5,186	3	6	5,195
of which Belins group	1,274	2	0	1,276

Average FTE as at 31 December 2024	Belgium	Luxembourg	Ireland	Fully consolidated
Senior Executives	186	1	2	189
Employees	6,571	4	3	6,578
TOTAL	6,757	5	5	6,767
of which banking group	5,420	3	5	5,428
of which Belins group	1,337	2	0	1,339

7.11. General and administrative expense

(in thousands of EUR)	31/12/23	31/12/24
Occupancy	(30,316)	(32,557)
Leases (except technology and system costs)	(3,824)	(3,378)
Professional fees	(145,381)	(148,718)
Marketing advertising and public relations	(47,920)	(51,479)
Technology and system costs	(204,640)	(217,917)
Software costs and research and development costs	(39,824)	(44,099)
Repair and maintenance expenses	(441)	(355)
Restructuring costs other than staff	206	0
Insurance (except related to pension)	(6,847)	(6,351)
Transportation of mail and valuable	(14,048)	(13,954)
Operational taxes	(16,226)	(14,823)
Other general and administrative expense	(101,152)	(110,448)
Transfer to insurance service expense(1)	92,987	102,818
TOTAL	(517,426)	(541,261)

(1) Under IFRS 17, costs directly attributable to insurance contracts are not recognised within the income statement line “General and administrative expense”, but are included in the present value of the insurance liabilities and as such included in the income statement line “Insurance service result”.

General and administrative expense increased by EUR -23.8 million, or 4.6%, to EUR -541 million (31 December 2023: EUR -517 million), mainly related to continued investment in technology and external workforce to support our commercial growth and the impact of inflation.

7.12. Depreciation and amortisation of fixed assets

(in thousands of EUR)	31/12/23	31/12/24
Depreciation of buildings	(20,186)	(17,653)
Depreciation of other tangible assets	(10,422)	(15,470)
Amortisation of intangible assets	(98,169)	(98,758)
Depreciation of right-of-use assets	(4,218)	(4,299)
Transfer to insurance service expense[1]	15,555	17,073
TOTAL	(117,440)	(119,106)

(1) Under IFRS 17, costs directly attributable to insurance contracts are not recognised within the income statement line "Depreciation and amortisation of fixed assets", but are included in the present value of the insurance liabilities and as such included in the income statement line "Insurance service result".

Depreciation and amortisation of fixed assets increased by EUR -1.7 million, or 1.4%, to EUR -119 million (31 December 2023: EUR -117 million), driven by continued technology investments and the increase in IT assets (tangible and intangible) resulting from more insourced IT infrastructure services. As part of the yearly review, Belfius recognized accelerated depreciations in line with the revised useful life of internally developed software and ATMs given the rapid changes in technology and the implementation of the mutualized ATM system ("Batopin").

7.13. Impairments on financial instruments and provisions for credit commitments

1. Summary Totals

(in thousands of EUR)	31/12/23	31/12/24
Impairment on financial instruments and off balance commitments - Stage 1	(12,754)	(10,192)
Impairment on financial instruments and off balance commitments - Stage 2	21,430	126,211
Impairment on financial instruments, other assets and off balance commitments - Stage 3	(117,887)	(249,312)
TOTAL	(109,211)	(133,294)

Impairments on financial instruments and provision for credit commitments increased by EUR -24.1 million to EUR -133 million (31 December 2023: EUR -109 million).

In 2023, with the Belgian economy showing resilience, the macroeconomic factors were adjusted positively, resulting in a reversal of provisions in stage 1 and 2. Furthermore, the underlying nature of the vulnerable exposures has shifted completely from "Covid-driven" to "Energy & Inflation linked", which has led to a reassessment of these overlays and a partial reversal thereof. Next to that, a higher level of default inflows were noted during 2023, resulting in an increase in stage 3 impairments. Furthermore, Belfius realised EUR 20 million capital losses on the sale of bonds (measured at amortised cost) in the ALM portfolio for risk adjustment purposes. Overall, this resulted in a total of EUR -109 million impairments on financial instruments in 2023.

The 2024 impairments on financial instruments and provisions for credit commitments amounted to EUR -133 million and were composed of EUR -124 million allowances for the commercial activities of Belfius Banking Group, EUR -8 million allowances for the run-off portfolios of the Belfius Banking Group and EUR -1 million allowances for Belfius Insurance Group. The stage 3 impairments amounted to EUR -249 million for exposures in default, o.w. a limited number of names in run-off portfolios and some individual files in the Belgian corporate sector, as well as stage 3 provisions related to an increasing number of smaller files. Furthermore, Belfius realized EUR 15 million capital gains on the sale of bonds (measured at amortised cost) in the ALM portfolio.

The increase in stage 3 was partly offset by EUR +116 million reversals in stage 1 and 2, due to:

- reversal of part of the Belfius' "Overlay for macroeconomic uncertainties and vulnerable exposures" for EUR +68 million. The scope of vulnerable exposures further evolved from "Energy and Inflation" driven exposures to sectors with risk concentrations (in terms of exposure and/or sector-specific risk profile); and

- migration of files from stage 2 to stage 3.

More detailed information is provided in the Credit Risk section of the management report.

2. Impairment on financial instruments and off balance commitments – Stage 1

	31/12/23				
(in thousands of EUR)	Allowances	Write-backs	Capital gains	Capital losses	Total
Loans and advances due from credit institutions	(464)	550	0	0	86
Loans and advances	(138,048)	125,546	0	0	(12,502)
Debt securities	(1,445)	1,388	0	0	(57)
Off balance commitments	(37,315)	37,034	0	0	(281)
TOTAL	(177,271)	164,518	0	0	(12,754)

	31/12/24				
(in thousands of EUR)	Allowances	Write-backs	Capital gains	Capital losses	Total
Loans and advances due from credit institutions	(409)	473	0	0	64
Loans and advances	(162,833)	150,095	0	0	(12,738)
Debt securities	(866)	2,020	0	0	1,154
Off balance commitments	(36,182)	37,510	0	0	1,328
TOTAL	(200,290)	190,097	0	0	(10,192)

Stage 1 impairments amount to EUR -10 million in 2024 mainly resulting from new production of loans and advances. The increase due to portfolio evolutions was partially offset by a reversal of part of the Belfius' "Overlay for macroeconomic uncertainties and vulnerable exposures". The scope of Vulnerable exposures further evolved from "Energy and Inflation" driven exposures to sectors with risk concentrations (in terms of exposure and/or sector-specific risk profile).

3. Impairment on financial instruments and off balance commitments - Stage 2

	31/12/23				
(in thousands of EUR)	Allowances	Write-backs	Capital gains	Capital losses	Total
Loans and advances due from credit institutions	(89)	36	0	0	(53)
Loans and advances	(267,947)	313,968	154	(582)	45,594
Debt securities	(22,471)	11,753	238	(21,082)	(31,562)
Off balance commitments	(63,148)	70,598	0	0	7,450
TOTAL	(353,655)	396,356	393	(21,664)	21,430

	31/12/24				
(in thousands of EUR)	Allowances	Write-backs	Capital gains	Capital losses	Total
Loans and advances due from credit institutions	(107)	23	0	0	(84)
Loans and advances	(284,361)	304,660	76	(429)	19,946
Debt securities	(15,932)	85,672	614	(52)	70,303
Off balance commitments	(45,281)	81,328	0	0	36,046
TOTAL	(345,682)	471,683	690	(480)	126,211

Stage 2 impairments amount to EUR 126 million in 2024 as a result of a reversal of part of the Belfius' "Overlay for macroeconomic uncertainties and vulnerable exposures" and due to migration of files from stage 2 to stage 3.

4. Impairment on financial instruments, other assets and off balance commitments-Stage 3

	31/12/2023 (PF)						
(in thousands of EUR)	Allowances	Write-backs	Write-offs	Capital gains	Capital losses	Recoveries	Total
Loans and advances due from credit institutions	0	0	0	0	0	0	0
Loans and advances	(326,607)	211,938	(4,286)	6,352	(17,261)	16,711	(113,153)
Debt securities	0	840	0	715	0	0	1,555
Off balance commitments	(11,023)	4,657	0	0	0	0	(6,366)
Other assets(1)	(1,564)	1,641	0	0	0	0	77
TOTAL	(339,194)	219,076	(4,286)	7,067	(17,261)	16,711	(117,887)

	31/12/24						
(in thousands of EUR)	Allowances	Write-backs	Write-offs	Capital gains	Capital losses	Recoveries	Total
Loans and advances due from credit institutions	0	0	0	0	0	0	0
Loans and advances	(400,836)	221,007	(5,676)	4,996	(21,371)	20,529	(181,351)
Debt securities	(90,078)	0	0	32,182	(16,812)	0	(74,708)
Off balance commitments	(4,393)	13,849	0	0	0	0	9,456
Other assets(1)	(2,739)	30	0	0	0	0	(2,709)
TOTAL	(498,046)	234,886	(5,676)	37,178	(38,184)	20,529	(249,312)

(1) This concerns impairments on mainly other insurance assets (i.e. reinsurance receivables), subject to impairment and reported under other assets on the balance sheet.

Stage 3 impairments amount to EUR -249 million for exposures in default, of which certain names in the run-off portfolios (debt securities) some individual files in the Belgian corporate sector, as well as provisions for an increasing number of smaller files.

7.14. Impairments on tangible and intangible assets

(in thousands of EUR)	31/12/23	31/12/24
Impairment on land and buildings	(347)	0
Impairment on intangible assets	(508)	0
TOTAL	(855)	0

Impairments on tangible and intangible assets decreased by EUR 0.9 million to EUR 0 million (31 December 2023: EUR -0.9 million).

In 2023, an impairment of EUR -0.5 million was recorded on intangible assets of Jane prior to its liquidation. In 2024 the reassessment didn't result in specific impairments on tangible and intangible fixed assets.

7.15. Impairments on goodwill

The annual impairment test did not require an impairment on goodwill. The impairment test was performed by comparing the equity value of Belfius Insurance with the "value in use". This value in use was determined based on a discounted cash flow model with the following inputs:

- financial plan for 6 years;
- discount rate: a cost of equity of 10.3%; and
- a long term growth rate for Belgium of 1.0%.

Note that the financial plan has only a limited impact on the impairment test. The main drivers are the discount curve and long term growth rate. Based on that scenario, a surplus could be identified.

For 2024, all scenarii (ranging from a growth rate from -1.5% to +2.5% and a discount rate of 8.8% to 11.8%) showed that no impairment was required. The assumptions for these scenarios are aligned with the expected evolution of the results in the financial plan and with the market conditions for capital costs.

7.16. Tax (expense) income

(in thousands of EUR)	31/12/23 Tax on current year result	31/12/23 Other Tax Expense	31/12/23 Total	31/12/24 Tax on current year result	31/12/24 Other Tax Expense	31/12/24 Total
Current tax expense / income: Income tax on current year	(315,347)		(315,347)	(322,082)		(322,082)
Current tax expense / income: Income tax on previous year		10,379	10,379		3,053	3,053
Current tax expense / income: Provision for tax litigations		0	0		0	0
TOTAL CURRENT TAXES			(304,968)			(319,029)
Deferred taxes on current year	(72,384)		(72,384)	(62,407)		(62,407)
Deferred taxes on previous year		1,487	1,487		(2,596)	(2,596)
TOTAL DEFERRED TAXES			(70,897)			(65,003)
GRAND TOTAL	(387,731)	11,866	(375,865)	(384,489)	457	(384,032)
TAX ON CURRENT YEAR RESULT			(387,731)			(384,489)
OTHER TAX EXPENSE			11,866			457
TOTAL			(375,865)			(384,032)
EFFECTIVE TAX RATE			25.18%			25.38%

Tax on current year result

(in thousands of EUR)	31/12/23	31/12/24
NET INCOME BEFORE TAX	1,492,656	1,513,024
Income and losses from companies accounted for by the equity method	7,527	50,508
TAX BASE	1,485,129	1,462,515
Statutory tax rate	25%	25%
TAX EXPENSE USING STATUTORY RATE	371,282	365,629
Tax effect of rates in other jurisdictions	(403)	(3,376)
Tax effect of non-taxable revenues(1)	(7,413)	(25,247)
Tax effect of non-tax deductible expenses	44,492	59,336
Tax effect of utilisation of previously unrecognised tax losses	0	(206)
Tax effect on tax benefit not previously recognised in profit or loss	(61)	0
Tax effect from reassessment of unrecognised deferred tax assets	(1,357)	(5,284)
Tax effect of change in tax rates	0	0
Items taxed at a reduced rate	(439)	394
Other increase (decrease) in statutory tax charge	(18,370)	(6,757)
TAX ON CURRENT YEAR RESULT	(387,731)	(384,489)

(1) Mainly definitively tax-exempted income (dividends and capital gains on shares).

The tax expense, including deferred taxes, increased by EUR -8.2 million, or 2.2%, to EUR -384 million (31 December 2023: EUR -376 million) as a result of the limitation of tax deductibility of the Belgian tax on credit institutions from 20% (in 2023) to 0% of the amount since 1st January 2024, partially offset by lower taxable income. Although net income before tax increased in 2024, taxable income decreased mainly stemming from the realisation of capital gains on shares and participations.

As such, an increase in the effective tax rate to 25.4% can be observed for 2024, compared with 25.2% for 2023.

Net deferred tax expense decrease by EUR 5.9 million to EUR -65 million (31 December 2023: deferred tax expense of EUR -71 million), due mainly to temporary differences for impairments, valuation of insurance liabilities and fair value adjustments.

Other notes to the consolidated annual financial statements

VIII. Notes on the consolidated off-balance sheet items

(some amounts may not add up due to roundings)

8.1. Regular way trade

(in thousands of EUR)	31/12/23	31/12/24
Loans to be delivered and purchases of assets	1,169,384	3,637,877
Borrowings to be received and sales of assets	10,040,127	9,686,292

8.2. Guarantees

(in thousands of EUR)	31/12/23	31/12/24
Guarantees given to credit institutions	665,774	546,521
Guarantees given to customers	5,360,579	5,557,266
Guarantees received from credit institutions(1)	432,920	515,422
Guarantees received from customers	27,719,254	28,044,168
Guarantees received from the Belgian State(2)	9,180,514	35,544

(1) This amount includes the personal guarantees and similar rights of recourse obtained for derivatives.
(2) The 2023 amount concerns the allocation to Belfius of the Belgian State guarantee scheme for loans to SME in the framework of the Covid-19 crisis. The guarantee has been derecognized as the conditions to invoke the guarantee were not met.

8.3. Loan commitments

(in thousands of EUR)	31/12/23	31/12/24
Unused lines granted to credit institutions	17,956	19,850
Unused lines granted to customers	31,438,857	30,114,319
Unused lines obtained from credit institutions	237	304
Unused lines obtained from customers	0	0

8.4. Other commitments to financing activities

(in thousands of EUR)	31/12/23	31/12/24
Insurance activity – Commitments given	0	0
Insurance activity – Commitments received	79,525	77,323
Banking activity – Commitments given(1)	28,396,974	26,221,558
Banking activity – Commitments received	101,462,882	103,108,937

(1) Mainly related to repurchase agreements and collateralisation of loans with the European Central Bank and other central banks. Belfius repaid its last TLTRO III in March 2024 (31 December 2023: EUR 1.4 billion).

The section "Banking activity- commitments given" also includes the underlying assets of the covered bond programs. The special estate of the covered bond program contains mainly residential mortgage loans and public loans for a total amount of EUR 19.9 billion (nominal) at the end of 2024 (compared to EUR 19.3 billion in 2023). See also note 6.4. "Debt securities issued and other financial liabilities".

8.5. Commitments – contingent liabilities

(in thousands of EUR)	31/12/23	31/12/24
Single Resolution Fund – Commitments given	30,500	30,500

Belfius has opted to pay part of its contribution to the Single Resolution Fund through an Irrevocable Payment Commitment. This payment commitment is fully covered by cash collateral. Belfius has recorded EUR 30.5 million in its off-balance sheet accounts (stable compared to 2023) as Belfius deems that no present obligation exists.

8.6. Bond lending and bond borrowing transactions

(in thousands of EUR)	31/12/23	31/12/24
Securities lending	555	26,600
Securities borrowing	9	7

In the context of its liquidity management, Belfius enters from time to time into bond lending transactions against fees.

IX. Notes on risk exposure

(some amounts may not add up due to rounding)

9.1. Fair value

1. Fair value of financial instruments

A. Breakdown of fair value of assets

(in thousands of EUR)	31/12/23 Carrying amount	Fair value	Difference
Cash and balances with central banks	**20,487,140**	**20,487,140**	**0**
Loans and advances due from credit institutions	**5,274,249**	**5,274,371**	**122**
Measured at amortised cost	5,274,249	5,274,371	122
Measured at fair value through other comprehensive income	0	0	0
Measured at fair value through profit or loss	0	0	0
Loans and advances	**114,531,169**	**110,789,122**	**(3,742,047)**
Measured at amortised cost	109,761,695	106,019,648	(3,742,047)
Measured at fair value through other comprehensive income	4,181,197	4,181,197	0
Measured at fair value through profit or loss	588,277	588,277	0
Debt securities	**22,295,927**	**21,207,636**	**(1,088,291)**
Measured at amortised cost	13,521,835	12,433,544	(1,088,291)
Measured at fair value through other comprehensive income	7,711,837	7,711,837	0
Measured at fair value through profit or loss	1,062,256	1,062,256	0
Equity instruments	**1,451,468**	**1,451,468**	**0**
Measured at fair value through other comprehensive income	1,006,935	1,006,935	0
Measured at fair value through profit or loss	444,533	444,533	0
Unit linked products	**4,176,214**	**4,176,214**	**0**
Derivatives	**5,321,426**	**5,321,426**	**0**
Gain/loss on the hedged item in portfolio hedge of interest rate risk(1)	**1,608,587**	**0**	**(1,608,587)**
Non current assets (disposal group) held for sale and discontinued operations	**16,582**	**24,460**	**7,879**
TOTAL	175,162,763	168,731,838	(6,430,925)

(1) The fair value of the line "Gain/loss on the hedged item in portfolio hedge of interest rate risk" is taken into account in the fair value of the underlying assets who are part of this portfolio hedge relation (and thus included in the lines "Loans and advances" and "Debt securities").

(in thousands of EUR)	31/12/24 Carrying amount	Fair value	Difference
Cash and balances with central banks	22,259,583	22,259,583	0
Loans and advances due from credit institutions	4,496,096	4,500,500	4,404
Measured at amortised cost	4,496,096	4,500,500	4,404
Measured at fair value through other comprehensive income	0	0	0
Measured at fair value through profit or loss	0	0	0
Loans and advances	119,590,251	116,948,662	(2,641,589)
Measured at amortised cost	114,973,285	112,331,696	(2,641,589)
Measured at fair value through other comprehensive income	4,132,375	4,132,375	0
Measured at fair value through profit or loss	484,590	484,590	0
Debt securities	23,667,536	22,743,429	(924,107)
Measured at amortised cost	14,401,792	13,477,685	(924,107)
Measured at fair value through other comprehensive income	8,396,310	8,396,310	0
Measured at fair value through profit or loss	869,434	869,434	0
Equity instruments	1,760,089	1,760,089	0
Measured at fair value through other comprehensive income	1,161,268	1,161,268	0
Measured at fair value through profit or loss	598,821	598,821	0
Unit linked products	4,545,702	4,545,702	0
Derivatives	5,285,936	5,285,936	0
Gain/loss on the hedged item in portfolio hedge of interest rate risk(1)	1,440,857	0	(1,440,857)
Non current assets (disposal group) held for sale and discontinued operations	9,722	12,139	2,417
TOTAL	183,055,773	178,056,041	(4,999,732)

(1) The fair value of the line "Gain/loss on the hedged item in portfolio hedge of interest rate risk" is taken into account in the fair value of the underlying assets who are part of this portfolio hedge relation (and thus included in the lines "Loans and advances" and "Debt securities").

The fair value of loans and advances increased as a result of the increase in outstanding volume of loans and following a decrease in long term interest rates.

The fair value of debt securities increased compared to year end 2023 resulting from 2 compensating effects. On the one hand, an increase can be noted resulting from new investments in ALM Liquidity portfolio. On the other hand, negative fair value evolutions can be observed following the increase in credit spreads (mainly on French and German government bonds).

Belfius considers an internal estimate of the future potential prepayment rate in the determination of the fair value of the loan portfolio.

For some assets and liabilities, Belfius estimates that the fair value approximates the carrying value.

B. Breakdown of fair value of liabilities

(in thousands of EUR)	31/12/23 Carrying amount	Fair value	Difference
Cash and balances from central banks	1,430,190	1,459,719	29,529
Borrowings and deposits	107,912,825	107,931,292	18,467
Measured at amortised cost	107,892,866	107,911,333	18,467
Measured at fair value through profit or loss	19,959	19,959	0
Debt securities issued and other financial liabilities	31,841,718	31,388,601	(453,118)
Measured at amortised cost	23,603,069	23,149,951	(453,118)
Measured at fair value through profit or loss	8,238,650	8,238,650	0
Unit linked products	4,176,214	4,176,214	0
Derivatives	7,229,432	7,229,432	0
Gain/loss on the hedged item in portfolio hedge of interest rate risk(1)	(1,029,463)	0	1,029,463
Subordinated debts	1,777,995	1,728,815	(49,181)
Measured at amortised cost	1,777,995	1,728,815	(49,181)
Measured at fair value through profit or loss	0	0	0
Liabilities included in disposal group and discontinued operations	0	0	0
TOTAL	153,338,912	153,914,073	575,161

(in thousands of EUR)	31/12/24 Carrying amount	Fair value	Difference
Cash and balances from central banks	0	0	0
Borrowings and deposits	110,976,677	111,013,793	37,116
Measured at amortised cost	110,957,842	110,994,958	37,116
Measured at fair value through profit or loss	18,835	18,835	0
Debt securities issued and other financial liabilities	36,907,499	36,799,908	(107,591)
Measured at amortised cost	28,317,135	28,209,544	(107,591)
Measured at fair value through profit or loss	8,590,365	8,590,365	0
Unit linked products	4,545,702	4,545,702	0
Derivatives	6,504,856	6,504,856	0
Gain/loss on the hedged item in portfolio hedge of interest rate risk(1)	(611,090)	0	611,090
Subordinated debts	2,319,828	2,330,195	10,366
Measured at amortised cost	2,319,828	2,330,195	10,366
Measured at fair value through profit or loss	0	0	0
Liabilities included in disposal group and discontinued operations	0	0	0
TOTAL	160,643,472	161,194,454	550,981

(1) The fair value of the line “Gain/loss on the hedged item in portfolio hedge of interest rate risk” is taken into account in the fair value of the underlying liabilities who are part of this portfolio hedge relation (and thus included in the lines “Borrowings and deposits” and “Debt securities issued and other financial liabilities”).

The fair value of debt securities issued and other financial liabilities increased, as a result of the issuance of debt securities in 2024.

For some liabilities, Belfius estimates that the fair value approximates the carrying value. Amongst others, for payment and savings accounts the market value equals the carrying amount. Belfius estimates that the own credit risk has not changed significantly and has thus not taken into account a revaluation of the own credit risk.

2. Analysis of fair value of financial instruments

A. Assets

(in thousands of EUR)	31/12/23 Level 1	Level 2	Level 3	Total
Loans and advances	**0**	**25,326,448**	**90,737,045**	**116,063,493**
Measured at amortised cost	0	25,100,158	86,193,862	111,294,019
Measured at fair value through other comprehensive income	0	225,596	3,955,601	4,181,197
Measured at fair value through profit or loss	0	694	587,583	588,277
Debt securities	**16,417,931**	**2,469,219**	**2,320,486**	**21,207,636**
Measured at amortised cost	9,295,535	2,068,765	1,069,244	12,433,544
Measured at fair value through other comprehensive income	6,576,407	386,292	749,139	7,711,837
Measured at fair value through profit or loss	545,990	14,163	502,103	1,062,256
Equity instruments	**972,877**	**0**	**478,591**	**1,451,468**
Measured at fair value through other comprehensive income	530,963	0	475,972	1,006,935
Measured at fair value through profit or loss	441,915	0	2,619	444,533
Unit linked products	**4,176,214**	**0**	**0**	**4,176,214**
Derivatives	**1,429**	**5,101,405**	**218,592**	**5,321,426**
Non current assets (disposal group) held for sale and discontinued operations	**0**	**18,240**	**6,220**	**24,460**
TOTAL	21,568,452	32,915,311	93,760,934	148,244,698

(in thousands of EUR)	31/12/24 Level 1	Level 2	Level 3	Total
Loans and advances	**0**	**26,576,252**	**94,872,910**	**121,449,162**
Measured at amortised cost	0	26,303,832	90,528,365	116,832,197
Measured at fair value through other comprehensive income	0	272,176	3,860,199	4,132,375
Measured at fair value through profit or loss	0	244	484,346	484,590
Debt securities	**19,714,710**	**704,872**	**2,323,847**	**22,743,429**
Measured at amortised cost	12,039,705	477,399	960,581	13,477,685
Measured at fair value through other comprehensive income	7,351,080	216,878	828,352	8,396,310
Measured at fair value through profit or loss	323,925	10,595	534,914	869,434
Equity instruments	**1,057,698**	**4,205**	**698,186**	**1,760,089**
Measured at fair value through other comprehensive income	469,871	4,205	687,192	1,161,268
Measured at fair value through profit or loss	587,827	0	10,994	598,821
Unit linked products	**4,545,702**	**0**	**0**	**4,545,702**
Derivatives	**793**	**5,098,689**	**186,454**	**5,285,936**
Non current assets (disposal group) held for sale and discontinued operations	**6,876**	**5,263**	**0**	**12,139**
TOTAL	25,325,779	32,389,281	98,081,398	155,796,458

The fair value of level 1 debt securities increased as a result of new investments in ALM Liquidity portfolio.

Level 3 loans and advances increased as a result of the increase in outstanding volume of loans and positive fair value evolutions resulting from lower long term interest rates.

B. Liabilities

(in thousands of EUR)	31/12/23 Level 1	Level 2	Level 3	Total
Borrowings and deposits	**0**	**98,291,966**	**9,639,326**	**107,931,292**
Measured at amortised cost	0	98,272,007	9,639,326	107,911,333
Measured at fair value through profit or loss	0	19,959	0	19,959
Debt securities issued and other financial liabilities	**10,329,150**	**17,813,966**	**3,245,484**	**31,388,601**
Measured at amortised cost(1) PF	10,272,276	12,820,112	57,563	23,149,951
Measured at fair value through profit or loss	56,874	4,993,854	3,187,921	8,238,650
Unit linked products	**4,176,214**	**0**	**0**	**4,176,214**
Derivatives	**1,667**	**6,812,746**	**415,018**	**7,229,432**
Subordinated debts	**1,513,198**	**215,617**	**0**	**1,728,815**
Measured at amortised cost	1,513,198	215,617	0	1,728,815
TOTAL	16,020,229	123,134,296	13,299,828	152,454,354

(1) Proforma due to refinement in level determination methodology.

(in thousands of EUR)	31/12/24 Level 1	Level 2	Level 3	Total
Borrowings and deposits	**114**	**94,196,158**	**16,817,521**	**111,013,793**
Measured at amortised cost	114	94,177,323	16,817,521	110,994,958
Measured at fair value through profit or loss	0	18,835	0	18,835
Debt securities issued and other financial liabilities	**11,478,741**	**22,143,200**	**3,177,968**	**36,799,908**
Measured at amortised cost	11,416,983	16,792,561	0	28,209,544
Measured at fair value through profit or loss	61,758	5,350,638	3,177,968	8,590,365
Unit linked products	**4,545,702**	**0**	**0**	**4,545,702**
Derivatives	**2,521**	**6,241,920**	**260,415**	**6,504,856**
Subordinated debts	**2,094,485**	**235,710**	**0**	**2,330,195**
Measured at amortised cost	2,094,485	235,710	0	2,330,195
TOTAL	18,121,563	122,816,987	20,255,904	161,194,454

The increase in Level 3 borrowings and deposits stems mainly from an increase in term deposits (EUR +3.9 billion).

Level 2 debt securities issued increased mainly resulting from new issuances of debt securities in 2024.

3. Transfer between Level 1 and Level 2 fair value for assets and liabilities at fair value in the balance sheet

A. Assets at fair value in the balance sheet

(in thousands of EUR)	31/12/23 From level 1 to 2	31/12/23 From level 2 to 1	31/12/24 From level 1 to 2	31/12/24 From level 2 to 1
Debt securities	6,343	22,369	36,307	137,981
Measured at fair value through other comprehensive income	6,343	22,369	36,048	137,981
Measured at fair value through profit or loss	0	0	259	0
TOTAL	6,343	22,369	36,307	137,981

B. Liabilities at fair value in the balance sheet

Nil.

4. Reconciliation Level 3

A. Assets

(in thousands of EUR)	31/12/23										
	Opening balance	Total of realised gains and losses in P&L	Total of unrealised gains and losses in P&L	Total gains/losses in other comprehensive income	Purchases	Sales	Settlements	Transfer in Level 3	Transfer out of Level 3	Foreign exchange adjustments	Closing balance
Loans and advances	**794,511**	**247**	**(99,336)**	**160,787**	**21,352**	**(181,529)**	**(28,619)**	**3,875,770**	**0**	**0**	**4,543,184**
Measured at fair value through other comprehensive income	0	247	3,961	160,787	10,441	(67,478)	(28,127)	3,875,770	0	0	3,955,601
Measured at fair value through profit or loss	794,511	0	(103,297)		10,911	(114,051)	(492)	0	0	0	587,583
Debt securities	**1,031,438**	**0**	**(2,363)**	**17,663**	**955,420**	**(362,550)**	**(281,050)**	**0**	**(107,315)**	**(0)**	**1,251,242**
Measured at fair value through other comprehensive income	442,253	0	7,808	17,663	896,768	(260,695)	(247,343)	0	(107,315)	(0)	749,139
Measured at fair value through profit or loss	589,185	0	(10,171)		58,652	(101,855)	(33,707)	0	(0)	(0)	502,103
Equity instruments	**443,043**	**0**	**(131)**	**56,446**	**(144,913)**	**183,335**	**(894)**	**2,752**	**(61,047)**	**0**	**478,591**
Measured at fair value through other comprehensive income	443,038	0	7	56,446	(144,913)	183,335	(894)	0	(61,047)	0	475,972
Measured at fair value through profit or loss	4	0	(137)		0	0	0	2,752	0	0	2,619
Derivatives	**196,490**	**0**	**32,912**		**86,591**	**0**	**(104,864)**	**200,032**	**(193,017)**	**448**	**218,592**
TOTAL	2,465,482	247	(68,917)	234,896	918,449	(360,745)	(415,427)	4,078,555	(361,379)	448	6,491,609

	31/12/24										
(in thousands of EUR)	Opening balance	Total of realised gains and losses in P&L	Total of unrealised gains and losses in P&L	Total gains/ losses in other comprehensive income	Purchases	Sales	Settlements	Transfer in Level 3	Transfer out of Level 3	Foreign exchange adjustments	Closing balance
Loans and advances	**4,543,184**	**0**	**(67,736)**	**93,013**	**302,445**	**(489,431)**	**(36,930)**	**0**	**0**	**0**	**4,344,545**
Measured at fair value through other comprehensive income	3,955,601	0	(1,414)	93,013	291,685	(443,716)	(34,969)	0	0	0	3,860,199
Measured at fair value through profit or loss	587,583	0	(66,322)		10,760	(45,715)	(1,960)	0	0	0	484,346
Debt securities	**1,251,242**	**0**	**(19,474)**	**2,304**	**363,141**	**(96,108)**	**(216,705)**	**86,284**	**(7,418)**	**0**	**1,363,266**
Measured at fair value through other comprehensive income	749,139	0	(5,685)	2,304	192,517	(25,500)	(163,875)	86,284	(6,831)	0	828,352
Measured at fair value through profit or loss	502,103	0	(13,789)		170,624	(70,608)	(52,829)	1	(588)	0	534,914
Equity instruments	**478,591**	**0**	**(30)**	**73,342**	**157,541**	**(8,138)**	**(6,348)**	**3,233**	**(4)**	**0**	**698,186**
Measured at fair value through other comprehensive income	475,972	0	0	73,342	152,364	(8,138)	(6,348)	0	0	0	687,192
Measured at fair value through profit or loss	2,619	0	(30)		5,177	0	0	3,233	(4)	0	10,994
Derivatives	**218,592**	**0**	**40,552**		**43,889**	**0**	**(43,052)**	**24,242**	**(98,991)**	**1,222**	**186,454**
TOTAL	6,491,609	0	(46,688)	168,659	867,016	(593,677)	(303,035)	113,759	(106,413)	1,222	6,592,452

B. Liabilities

(in thousands of EUR)	31/12/23									
	Opening balance	Total of unrealised gains and losses in P&L	Total gains/losses in other comprehensive income	Purchases	Sales	Direct origi-nation	Settle-ments	Transfer in Level 3	Transfer out of Level 3	Closing balance
Debt securities issued and other financial liabilities	2,671,821	47,185		0	0	523,411	(238,884)	1,871,921	(1,687,533)	3,187,921
Measured at fair value through profit or loss	2,671,821	47,185		0	0	523,411	(238,884)	1,871,921	(1,687,533)	3,187,921
Derivatives	527,732	(60,852)		88,834	0	0	(115,824)	250,581	(275,453)	415,018
TOTAL	3,199,553	(13,667)		88,834	0	523,411	(354,708)	2,122,502	(1,962,987)	3,602,940

(in thousands of EUR)	31/12/24									
	Opening balance	Total of unrealised gains and losses in P&L	Total gains/losses in other comprehensive income	Purchases	Sales	Direct origi-nation	Settle-ments	Transfer in Level 3	Transfer out of Level 3	Closing balance
Debt securities issued and other financial liabilities	3,187,921	46,883		0	0	757,219	(45,263)	134,173	(902,966)	3,177,968
Measured at fair value through profit or loss	3,187,921	46,883		0	0	757,219	(45,263)	134,173	(902,966)	3,177,968
Derivatives	415,018	(35,004)		64,644	(611)	0	(101,896)	12,926	(94,663)	260,415
TOTAL	3,602,940	11,880		64,644	(611)	757,219	(147,159)	147,099	(997,629)	3,438,383

The column “total of unrealised gains and losses in P&L” cannot be analysed on a stand alone basis, as some assets or liabilities classified at amortised cost or some assets and liabilities classified in level 1 or 2 may be hedged by derivatives classified in level 3. The column direct origination refers to the issuance of Belfius bonds.

5. Valuation techniques and data (level 1, 2 and 3)

Financial instruments measured at fair value (trading, designated at fair value through profit or loss, debt instruments and investments in equity instruments measured at fair value through other comprehensive income, non-trading financial assets mandatorily measured at fair value through profit or loss, derivatives).

The financial instruments accounted for at fair value are measured by maximising the usage of observable inputs, resulting in three possible levels reflecting the degree of observability and reliability of the inputs.

Financial instruments measured at fair value for which reliable quoted market prices are available (level 1).

Level 1 represents the highest level of observability. When Fair Value can be derived directly from quoted prices in an active market for identical instruments with no adjustments they classify as Level 1 within IFRS 13 fair value hierarchy. These prices are readily available and require minimal judgement. Hence, the quotes provide for reliable evidence of fair value and are therefore used for fair value measurement (for example interest rate futures, liquid bonds, etc).

The determination whether or not there is an active market is based on criteria such as volume, bid- offer spread and the number of price/spread contributions.

Financial instruments measured at fair value for which no reliable quoted market prices are available and for which valuations are obtained by means of valuation techniques (level 2 and 3)

Financial instruments for which no quoted market prices in active markets are available, are valued by means of valuation techniques. This is done by using a model based on observable or unobservable inputs. The models that Belfius uses range from standard models available in the market to in-house developed valuation models. Availability of some observable market prices and model inputs reduces the need for management judgement and estimation and the uncertainty associated with the determination of fair values. These availabilities vary depending on the products and markets and are subject to changes based on specific events and general conditions in the financial markets. The use of observable inputs must be maximised.

Once a financial instrument is not classified as level 1, Belfius will identify each input of the Valuation model (including Unearned Credit Spread and Funding Spread components of the valuation) and classify the input as observable or unobservable.

Observable or Level 2 inputs are those that are implied or extracted using market data (e.g. bootstrapping of an IR Curve), such as publicly available broker data or information about transactions which reflect the assumptions that market participants would use when pricing the asset or liability. Examples of observable inputs are the risk-free rates, exchange rates, stock prices and volatility implied from active listed options.

Unobservable inputs or Level 3 inputs are inputs which do not meet the requirements of demonstrating observability, either directly or indirectly per similarity, market corroboration. They reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the instrument (e.g. proxies or correlation factors are usually not observable).

Once we classified each input of the model used to value the instrument as observable or unobservable, we test the materiality of the unobservable inputs in the pricing of the instrument. If the combined effect of non-observable inputs is significant, then the instrument is considered as Level 3 instrument. Otherwise, if only observable inputs materially affect the valuation, the instrument will be considered as Level 2.

For that reason, structured loans measured at fair value through profit and loss are classified as level 3. These financial assets are illiquid and not traded on an active market. The fair value is determined by a valuation model essentially based on non-observable data including additional value adjustments as described below.

Bonds traded in inactive markets are valued using valuation techniques. To price its portfolio of illiquid bonds, Belfius calculates spreads based on a cross section method using a large universe of bonds and CDS spreads. The calculated spreads are challenged every quarter by means of comparisons with observable market spreads.

Non structured issues like deposit certificates have been attributed a Level 2, as these are plain vanilla bonds priced with observable parameters.

Unquoted equity instruments are systematically classified as level 3. In accordance with the principles set out in IFRS 13, different fair value measurement models for unquoted equity instruments are possible (discounted cash flow, net asset value, recent transaction price, etc).

Derivatives are valued at mid-market prices for which the former described cascade (level 1, 2, 3) is applied. For level 2 fair values, Belfius uses observable market parameters and valuation models that are in line with market practice. Models used may include discounted cashflow analysis based on discount and estimation curves, option pricing models, convexity adjustments, proxy methods or non-arbitrage relationships. The discount interest rate curves take account of any collateral agreements and value adjustments may apply.

Following value adjustments and so-called XVA's are applied within Belfius:

- Unearned credit spread: this value adjustment takes account of the possibility that a counterparty might default and part of the fair value cannot be recovered (Credit Value Adjustment) and of the creditworthiness of Belfius (Debit Value Adjustment). The Unearned credit spread is calculated both on collateralised and non-collateralised derivatives. For collateralised derivatives with standard ISDA/CSA agreements, the unearned credit spread is calculated taking into account the Margin Period of Risk and the collateral exchanged. An estimation is made of the expected exposures, by forecasting the future fair value of the derivative in line with market practice. These expected exposures are then multiplied by an expected loss indication. Seeing that the majority of these expected losses are not directly observable in the market, Belfius uses market-derived spreads which are determined by means of a method based on cross-sections on a large universe of CDS spreads.

- Bid/ask spread adjustment: because the mid-market prices do not take account of the direction in which the deal was closed, the bid/ask adjustment does take account of this information in the total fair value.

- Funding spread: this value adjustment takes into account the funding cost for uncollateralised transactions. For all uncollateralised transactions, a correction is made for the funding value adjustment based on the average funding cost of Belfius Bank. This funding cost is determined by ALM taking into account the different funding sources. For collateralised transactions where not only a variation margin but also an initial margin is posted, a correction is made for the funding of this margin.

- Market price uncertainty: value adjustment for uncertainty of market parameters.

- Model risk: this value adjustment is made if the assumptions used in a valuation model cannot be verified with sufficient accuracy.

Financial instruments measured at amortised cost (having valuations at fair value in IFRS disclosures)

The fair value of debt instruments held within the business model “hold to collect contractual cash flows”, is determined using the following valuation principles.

General principles

- the carrying amount of loans maturing within 12 months is assumed to reflect their fair value;
- for bonds the valuation is done in the same way as bonds measured at fair value through other comprehensive income;

Interest-rate part

- the fair value of fixed-rate loans and mortgage loans reflects interest-rate movements since inception;
- loans with an adjustable rate are priced using the corresponding forward rates increased with the contractual margin;
- market or model values for caps, floors and prepayment options are included in the fair value of loans and receivables;
- the fair value of variable-rate loans (e.g. 3M-euribor) is assumed to be approximated by their carrying amounts;
- target net commercial margins of loans are also included in the fair value;
- the future potential prepayment rate has been approximated by taking into account an internal estimate.
- As general method, the Fair Value of loans is calculated by discounting the future cash flows. The discount curve includes the risk free rate (Interest Rate Swap curve), a liquidity premium (derived from Belfius’ internal transfer price methodology) and a commercial margin.

A. Quantitative information on significant unobservable data (level 3)

If the fair value of a financial instrument is determined based on valuation techniques using inputs that are not based on observable market data, alternative assumptions may impact the equity and the result.

Financial instrument	Non-observable items	Difference with alternative assumptions	Impact in P&L of alternative assumptions (in millions of EUR)	Impact in equity of alternative assumptions (in millions of EUR)
OTC swaps on Belgian inflation	Expectations in Belgian inflation	+50bps	-1.99	
OTC derivatives on CMS spread	Correlation between CMS interest rates	10%	-0.50	
CMS instruments	Linear swap rate	10%	-0.61	
Collateralised Debt Obligation	Credit spread	-10 bps	-3.13	
Credit Default Swap	Credit spread	-10 bps	0.00	
Illiquid bonds	Credit spread	-10 bps	0.03	4.28
Equity derivatives	Repo margins	-60bps	-6.03	
Equity derivatives	Volatility surface	0.04	-2.95	
IR derivatives	Volatility surface (SABR)		-2.66	
XVA on derivatives	Credit spread	60bps	-1.77	
Inflation derivatives	Seasonality	15bps	-0.54	

B. Valuation process

The valuation process follows a strict governance. First of all, the Risk department operates a strong Independent Price Verification process by performing independent controls on the parameters used for the valuation process before injection into the systems. Secondly, the models used are validated by the Validation department which reports directly to the CRO. Validation reports and model change proposals are presented to the Financial Markets Fair Value committee for decision. This committee reports directly to the Financial Markets Committee which is led by three members of the Management Board (CRO, CFO, Head of WEP). For unquoted equities and participations, the fair values are challenged by the Participation Forum which presents the main fair value changes to the Financial Markets Fair Value committee for approval.

C. Transfers between valuation levels

For derivative products, the level hierarchy rules are based on observability rules, significance of unobservable inputs and they include inputs related to credit and funding value adjustments.

Besides new, matured or terminated transactions and changes in fair values due to market evolutions, these levelling rules can cause some level evolutions of different instruments.

Related transfers from level 2 to level 3 mainly concern equity structured products with unobservable volatility or derivatives for which unobservable credit or funding spread are considered significant. Transfers from level 3 to level 2 concern mainly CMS products for which unobservable inputs are not significant (anymore). Additional changes occur due to changes in observability or significance of unobservable parameters.

Levels for bonds are depending on an internal liquidity score. The liquidity score is distributed between very high (liquid) and low (illiquid) scores. Therefore, a small change in the liquidity on the market does not immediately influence the distribution of level 1, 2 or 3. Some bonds are nevertheless close to the border of illiquidity and may change from level. For structured bonds on the liability side, levels are determined following the methodology of the hedging derivatives.

6. Disclosure of difference between transaction prices and model values (deferred day one profit)

During 2024, around EUR 1.4 million has been recognised as deferred Day One Profit (DOP).

As Belfius principally treats plain vanilla products (like interest rate swaps), and some more complex products (like structured transactions) which are hedged in the market in line with market risk limits and framework, the resulting day one profit is recognized up-front.

9.2. Credit risk exposure

1. The credit risk management practices - general principles

Maximum Credit Risk Exposure is expressed as Full Exposure At Default (FEAD), and is determined as follows:

- for balance sheet assets (except for derivatives): the gross carrying amounts (before impairment);
- for derivatives: the fair value of derivatives after netting, increased with the potential future exposure calculated under the current exposure method (add-on);
- for Securities Financing Transactions:
    - for reverse repo's: the amount of collateral up to the amount lent
    - for repo's: the collateral value in excess of the amount borrowed;
- for off-balance sheet commitments: either the undrawn part of liquidity facilities or the maximum commitment of Belfius for guarantees granted to third parties;

Note that the definition of the Maximum Credit Risk Exposure as used internally and for the risk tables presented below, presenting the carrying amount of its assets gross of any impairment losses differs slightly from IFRS 7 with a presentation of assets net of impairment.

2. Inputs, assumptions and techniques used for estimating impairment

We refer to the chapter "Risk management" of the management report for further information, section Credit Risk.

3. Analysis of total credit risk exposure

A. Exposure by geographical region

(in thousands of EUR)	31/12/23 Belgium	France	Luxembourg	Germany	Portugal	Ireland	Italy	Greece	Spain
Cash and balances with central banks	20,228,895	0	0	0	0	0	0	0	0
Loans and advances	112,003,576	663,439	972,533	359,138	4,392	10,678	51,327	145	513,788
Measured at amortised cost	107,150,789	663,403	967,533	359,138	4,392	10,643	51,327	145	513,646
Measured at fair value through other comprehensive income	4,278,131	36	5,000	0	0	35	0	0	143
Measured at fair value through profit or loss	574,656	0	0	0	0	0	0	0	0
Debt securities	6,319,834	4,213,058	124,578	356,332	238,624	258,343	1,204,480	0	1,270,610
Measured at amortised cost	2,744,533	3,044,423	22,066	156,513	31,099	0	904,208	0	606,055
Measured at fair value through other comprehensive income	3,514,647	1,157,239	102,384	198,992	207,525	258,106	300,097	0	664,437
Measured at fair value through profit or loss	60,654	11,396	128	827	0	237	175	0	118
Derivatives	522,548	173,798	24,821	188,502	0	18,314	2,348	0	66,126
Loan commitments and financial guarantees given	33,345,546	675,513	970,717	10,772	5,058	1,000	4,570	5,059	5,389
Other (of which mainly securities lending and margin calls)	6,520,063	1,408,582	300,848	447,926	0	7,811	41,821	6,210	24,361
TOTAL	**178,940,462**	**7,134,390**	**2,393,497**	**1,362,670**	**248,074**	**296,146**	**1,304,546**	**11,414**	**1,880,274**

(in thousands of EUR)	31/12/23 Other EU countries	Rest of Europe	United States and Canada	United Kingdom	South-east Asia	South and Central America	Turkey	Japan	Other	TOTAL
Cash and balances with central banks	247,725	1,729	6,975	981	254	167	36	234	526	20,487,522
Loans and advances	879,173	421,651	18,872	45,933	9,804	4,927	1,492	705	26,124	115,987,697
Measured at amortised cost	879,173	421,651	18,836	45,933	9,804	4,927	1,492	705	26,124	111,129,661
Measured at fair value through other comprehensive income	0	0	36	0	0	0	0	0	0	4,283,380
Measured at fair value through profit or loss	0	0	0	0	0	0	0	0	0	574,656
Debt securities	1,872,665	371,386	1,503,483	2,789,490	22,833	36,088	0	400,188	746,247	21,728,238
Measured at amortised cost	1,022,747	303,730	1,063,871	2,595,469	22,833	0	0	375,388	744,579	13,637,514
Measured at fair value through other comprehensive income	832,338	47,815	436,717	193,707	0	36,088	0	23,636	1,655	7,975,383
Measured at fair value through profit or loss	17,580	19,841	2,895	314	0	0	0	1,164	13	115,342
Derivatives	67,119	5,960	162,626	1,087,145	393	0	0	22,374	3,123	2,345,197
Loan commitments and financial guarantees given	304,072	99,792	869,386	367,770	172,243	215,711	48,430	156	157,701	37,258,885
Other (of which mainly securities lending and margin calls)	61,513	61,204	104,377	863,527	3	1	0	5,877	54,847	9,908,971
TOTAL	**3,432,267**	**961,722**	**2,665,719**	**5,154,846**	**205,530**	**256,894**	**49,958**	**429,534**	**988,568**	**207,716,510**

(in thousands of EUR)	31/12/24 Belgium	France	Luxembourg	Germany	Portugal	Ireland	Italy	Greece	Spain
Cash and balances with central banks	22,048,573	0	0	0	0	0	0	0	0
Loans and advances	116,664,744	772,740	1,070,102	332,786	10,691	10,783	59,486	136	465,898
Measured at amortised cost	112,059,726	772,704	1,065,102	332,786	10,691	10,748	59,486	136	465,791
Measured at fair value through other comprehensive income	4,142,621	36	5,000	0	0	35	0	0	107
Measured at fair value through profit or loss	462,398	0	0	0	0	0	0	0	0
Debt securities	5,833,595	4,649,651	142,928	511,301	483,670	263,870	1,204,868	0	1,297,410
Measured at amortised cost	2,610,856	3,076,478	22,026	278,941	186,901	0	906,383	0	644,255
Measured at fair value through other comprehensive income	3,145,140	1,561,705	120,514	230,557	296,769	263,468	298,306	0	653,035
Measured at fair value through profit or loss	77,599	11,468	389	1,803	0	402	179	0	120
Derivatives	763,541	618,174	17,536	203,853	0	33,189	1,923	0	54,716
Loan commitments and financial guarantees given	31,922,120	763,908	1,045,682	32,427	1,620	1,000	63,577	5,630	7,083
Other (of which mainly securities lending and margin calls)	7,316,003	2,319,207	512,259	734,928	0	15,445	43,235	3,337	21,206
TOTAL	184,548,577	9,123,680	2,788,507	1,815,296	495,981	324,286	1,373,089	9,104	1,846,314

(in thousands of EUR)	31/12/24 Other EU countries	Rest of Europe	United States and Canada	United Kingdom	South-east Asia	South and Central America	Turkey	Japan	Other	TOTAL
Cash and balances with central banks	201,046	1 552	5 841	1 661	315	116	26	384	486	22,259,999
Loans and advances	963,998	120,197	43,329	116,849	36,168	4 056	6 369	928	26,889	120,706,149
Measured at amortised cost	963,998	120,197	43,293	116,849	36,168	4 056	6 369	928	26,889	116,095,917
Measured at fair value through other comprehensive income	0	0	36	0	0	0	0	0	0	4147 835
Measured at fair value through profit or loss	0	0	0	0	0	0	0	0	0	462,398
Debt securities	2,594,322	506,610	1,559,022	2,827,405	56,572	36,748	0	438,759	689,178	23,095,911
Measured at amortised cost	1,496,794	409,259	1,064,213	2,642,696	56,572	0	0	410,422	683,888	14,489,684
Measured at fair value through other comprehensive income	1,083,130	76,946	491,776	184,003	0	36,748	0	27 136	5 290	8,474,525
Measured at fair value through profit or loss	14,397	20 405	3,034	706	0	0	0	1 201	0	131,703
Derivatives	71,001	1 792	137,124	549,776	43	0	0	0	400	2,453,067
Loan commitments and financial guarantees given	329,945	162,863	923,921	379,198	92,152	220,265	44,362	155	143,046	36,138,955
Other (of which mainly securities lending and margin calls)	84,084	65,287	27,864	754,397	1	0	0	1 855	31,794	11,930,902
TOTAL	4,244,396	858,302	2,697,100	4,629,287	185,251	261,185	50,756	442,082	891,792	216,584,985

B. Exposure by category of counterpart

(in thousands of EUR)	31/12/23 Central govern-ments	Public sector entities	Corporate	Project finance	Individuals, SME, self-employed	Financial institutions	TOTAL
Cash and balances with central banks	20,487,522	0	0	0	0	0	20,487,522
Loans and advances	621,105	24,726,728	31,797,314	1,332,531	56,624,800	885,218	115,987,696
Measured at amortised cost	621,105	24,159,875	31,770,553	1,332,531	52,716,129	870,484	111,470,676
Measured at fair value through other comprehensive income	0	0	18,960	0	3,908,671	14,734	3,942,365
Measured at fair value through profit or loss	0	566,853	7,802	0	0	0	574,655
Debt securities	8,703,620	2,963,967	3,173,083	728,961	0	6,158,610	21,728,241
Measured at amortised cost	3,947,441	1,933,337	1,676,508	728,961	0	5,351,266	13,637,513
Measured at fair value through other comprehensive income	4,692,713	1,020,391	1,491,589	0	0	770,692	7,975,385
Measured at fair value through profit or loss	63,466	10,239	4,986	0	0	36,652	115,343
Derivatives	42,612	163,926	853,048	170,395	2,428	1,112,787	2,345,196
Loan commitments and financial guarantees given	227,735	12,468,191	17,112,083	209,664	6,416,441	824,770	37,258,884
Other (of which mainly securities lending and margin calls)	773,781	290,039	5,755,170	2,798	2,340	3,084,843	9,908,971
TOTAL	30,856,375	40,612,851	58,690,698	2,444,349	63,046,009	12,066,228	207,716,510

(in thousands of EUR)	31/12/24 Central govern-ments	Public sector entities	Corporate	Project finance	Individuals, SME, self-employed	Financial institutions	TOTAL
Cash and balances with central banks	22,259,999	0	0	0	0	0	22,259,999
Loans and advances	619,324	25,232,968	34,588,371	1,386,282	58,369,130	510,075	120,706,149
Measured at amortised cost	619,324	24,461,335	34,510,618	1,386,282	54,628,282	490,075	116,095,917
Measured at fair value through other comprehensive income	0	318,669	68,319	0	3,740,847	19,999	4,147,835
Measured at fair value through profit or loss	0	452,964	9,433	0	0	0	462,398
Debt securities	10,290,876	4,023,680	2,041,995	444,427	0	6,294,934	23,095,913
Measured at amortised cost	4,942,837	3,094,952	542,655	444,427	0	5,464,813	14,489,684
Measured at fair value through other comprehensive income	5,268,307	921,252	1,493,152	0	0	791,814	8,474,525
Measured at fair value through profit or loss	79,733	7,476	6,188	0	0	38,307	131,704
Derivatives	39,032	158,164	549,976	174,374	8,023	1,523,498	2,453,067
Loan commitments and financial guarantees given	193,880	11,092,579	16,985,836	391,562	6,536,686	938,413	36,138,955
Other (of which mainly securities lending and margin calls)	932,750	778,684	6,070,942	59	2,311	4,146,156	11,930,902
TOTAL	34,335,861	41,286,075	60,237,120	2,396,705	64,916,150	13,413,075	216,584,985

The exposure on corporate counterparts and individuals, SME and self employed increased thanks to the increased loan production in these segments, in line with Belfius' strategy.

C. Detail of most important countries per counterparty

(in thousands of EUR)	31/12/23					
	Central government bonds	Financial institutions	Public sector entities	Corporate - Project finance	Other	TOTAL
Belgium	3,731,134	627,058	39,244,089	46,574,095	88,764,085	178,940,461
France	1,039,797	2,575,996	306,590	1,365,000	1,847,007	7,134,390
United Kingdom	0	1,383,887	0	2,854,936	916,023	5,154,846
Spain	969,134	520,390	52,534	85,573	252,642	1,880,273
Italy	1,166,445	37,656	0	72,903	27,542	1,304,546
United States and Canada	0	1,013,522	333,264	1,279,580	39,353	2,665,719
TOTAL	6,906,510	6,158,509	39,936,477	52,232,087	91,846,652	197,080,235

(in thousands of EUR)	31/12/24					
	Central government bonds	Financial institutions	Public sector entities	Corporate - Project finance	Other	TOTAL
Belgium	3,613,515	742,090	38,383,770	49,146,175	92,663,027	184,548,577
France	1,689,588	3,587,861	340,388	1,628,751	1,877,093	9,123,680
United Kingdom	0	1,260,362	1,456,653	937,717	974,557	4,629,288
Spain	974,995	463,332	52,587	87,958	267,442	1,846,314
Italy	1,169,739	30,665	0	145,376	27,308	1,373,089
United States and Canada	0	951,477	373,289	1,190,677	181,657	2,697,100
TOTAL	7,447,837	7,035,786	40,606,687	53,136,654	95,991,084	204,218,048

4. Maximum Credit Risk exposure by categories of Financial Instruments subject to impairment

A. Financial Assets

(in thousands of EUR)	31/12/23 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	TOTAL
CREDIT RATING GRADES				
Cash and balances with central banks	20,487,522	0	0	20,487,522
LOANS AND ADVANCES				
Measured at amortised cost	**98,310,664**	**10,655,500**	**2,163,496**	**111,129,661**
AAA to AA-	33,971,898	1,168,768	89,475	35,230,141
A+ to BBB-	42,583,150	2,242,062	5,841	44,831,054
Non investment grade	21,454,158	7,052,186	9,454	28,515,797
Default	0	0	2,042,676	2,042,676
Unrated	301,459	192,483	16,051	509,993
Measured at fair value through other comprehensive income	**4,080,720**	**178,089**	**24,571**	**4,283,380**
AAA to AA-	77,219	0	0	77,219
A+ to BBB-	1,878,827	2,765	0	1,881,592
Non investment grade	2,102,771	175,324	672	2,278,768
Default	0	0	23,899	23,899
Unrated	21,902	0	0	21,902
DEBT SECURITIES				
Measured at amortised cost	**8,572,997**	**5,064,516**	**0**	**13,637,513**
AAA to AA-	3,436,619	0	0	3,436,619
A+ to BBB-	5,117,182	4,539,433	0	9,656,615
Non investment grade	19,196	525,083	0	544,279
Default	0	0	0	0
Unrated	0	0	0	0
Measured at fair value through other comprehensive income	**7,820,909**	**154,476**	**0**	**7,975,385**
AAA to AA-	3,636,714	6,831	0	3,643,545
A+ to BBB-	3,675,500	52,181	0	3,727,681
Non investment grade	179,448	62,067	0	241,515
Default	0	0	0	0
Unrated	329,247	33,397	0	362,644

(in thousands of EUR)	31/12/24 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	TOTAL
CREDIT RATING GRADES				
Cash and balances with central banks	22,259,999	0	0	22,259,999
LOANS AND ADVANCES				
Measured at amortised cost	104,293,186	9,384,018	2,418,713	116,095,917
AAA to AA-	34,964,211	712,768	76,395	35,753,374
A+ to BBB-	39,962,372	2,281,427	8,338	42,252,137
Non investment grade	29,064,240	6,297,177	2,158	35,363,576
Default	0	0	2,331,266	2,331,266
Unrated	302,363	92,646	555	395,563
Measured at fair value through other comprehensive income	3,912,351	210,306	25,178	4,147,835
AAA to AA-	63,118	0	0	63,118
A+ to BBB-	1,727,165	1,806	0	1,728,972
Non investment grade	491,928	152,888	653	645,470
Default	0	0	24,525	24,525
Unrated	1,630,139	55,612	0	1,685,751
DEBT SECURITIES				
Measured at amortised cost	10,086,066	4,080,167	323,451	14,489,684
AAA to AA-	4,185,685	0	0	4,185,685
A+ to BBB-	5,873,451	3,853,264	126,308	9,853,023
Non investment grade	26,930	226,903	0	253,833
Default	0	0	197,144	197,144
Unrated	0	0	0	0
Measured at fair value through other comprehensive income	8,240,169	224,082	10,274	8,474,525
AAA to AA-	4,132,118	22,457	0	4,154,574
A+ to BBB-	3,465,970	95,666	0	3,561,636
Non investment grade	505,959	105,959	0	611,918
Default	0	0	10,274	10,274
Unrated	136,123	0	0	136,123

B. Off-Balance sheet exposure

(in thousands of EUR)	31/12/23 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	TOTAL
CREDIT RATING GRADES				
Loan commitments and financial guarantees given	34,241,056	2,883,992	133,837	37,258,885
AAA to AA-	5,144,460	87,297	40,788	5,272,545
A+ to BBB-	22,427,750	490,161	2,139	22,920,050
Non investment grade	6,476,090	2,254,977	12,806	8,743,873
Default	0	0	78,064	78,064
Unrated	192,756	51,557	40	244,353

(in thousands of EUR)	31/12/24 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	TOTAL
CREDIT RATING GRADES				
Loan commitments and financial guarantees given	34,205,300	1,871,266	62,389	36,138,955
AAA to AA-	4,948,267	42,403	817	4,991,486
A+ to BBB-	20,088,937	320,593	15	20,409,545
Non investment grade	8,988,560	1,442,829	0	10,431,389
Default	0	0	61,557	61,557
Unrated	179,537	65,441	0	244,978

The indicated ratings are either internal or external based. In fact, Belfius applies the AIRBA (Advanced Internal Ratings Based Approach) for the calculation of capital requirements for credit risk within the context of Pillar 1 of Basel III. Except for Asset Backed Securities (ABS) positions for which the credit risk is based on external ratings only (Fitch, Standard & Poors and/or Moody's).

C. Purchased at credit impaired

Nil.

5. Maximum credit risk exposure by class of financial instruments and impact of collateral

Belfius receives the following types of collateral:

- Cash, debt securities, equities, investment fund...;
- immovable property collateral (for example in the form of mortgages or mortgage mandates on physical assets such as homes, commercial properties or vessels);
- receivables and stocks;
- leasing;
- other physical collateral;
- guarantees;
- credit derivatives.

The main principle for valuing collateral is to determine and make use of the expected realisation value at the time of a possible future default when the Bank might have to realise the collateral. The valuation of collateral used in the credit origination and life-cycle is performed periodically during the credit life cycle in a risk-based and proportional manner (depending on the type of collateral, remaining level of credit exposure and evolution of the credit quality of the obligor).

The table below shows the impact of physical collateral:

(in thousands of EUR)	31/12/23 Maximum credit risk exposure	31/12/23 Effect of physical collateral	31/12/24 Maximum credit risk exposure	31/12/24 Effect of physical collateral
Cash and balances with central banks	**20,487,522**	**0**	**22,259,999**	**0**
Loans and advances	**115,987,697**	**7,311,014**	**120,706,150**	**6,899,852**
Measured at amortised cost	111,470,676	7,308,722	116,095,917	6,898,798
Measured at fair value through other comprehensive income	3,942,365	0	4,147,835	0
Measured at fair value through profit or loss	574,656	2,293	462,398	1,054
Debt securities	**21,728,240**	**0**	**23,095,913**	**0**
Measured at amortised cost	13,637,513	0	14,489,684	0
Measured at fair value through other comprehensive income	7,975,384	0	8,474,525	0
Measured at fair value through profit or loss	115,343	0	131,704	0
Derivatives	**2,345,196**	**0**	**2,453,067**	**0**
Loan commitments and financial guarantees given	**37,258,884**	**474,273**	**36,138,955**	**641,069**
Other (of which mainly securities lending and margin calls)	**9,908,971**	**0**	**11,930,902**	**0**
TOTAL	207,716,510	7,785,287	216,584,985	7,540,921

6. Financial assets subject to impairment that are past due

A financial asset is past due when the counterparty has failed to make a payment when contractually due. This is considered on a contract by contract basis. For example, if a counterpart fails to pay the required interests at due date, the entire loan is considered as past due.

31/12/23	Financial instruments without significant increase in credit risk since initial recognition (stage 1)			Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)			Carrying amount – Credit impaired financial assets (stage 3)		
(in thousands of EUR)	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Loans and advances due from credit institutions	186	0	0	219	3	8	0	0	0
Loans and advances	181,758	41,625	12,448	127,604	69,814	39,861	348,604	49,193	595,223
Debt securities	0	0	0	0	0	0	0	0	0
TOTAL	181,944	41,625	12,448	127,823	69,817	39,869	348,604	49,193	595,223

31/12/24	Financial instruments without significant increase in credit risk since initial recognition (stage 1)			Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)			Carrying amount Credit impaired financial assets (stage 3)		
(in thousands of EUR)	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Loans and advances due from credit institutions	436	0	0	243	10	34	0	0	0
Loans and advances	187,267	44,565	27,633	123,721	82,912	57,659	435,143	51,328	792,198
Debt securities	0	0	0	0	0	0	553,821	0	0
TOTAL	187,703	44,565	27,633	123,964	82,922	57,693	988,964	51,328	792,198

A default status is assigned to the debtors who satisfy either one or both of the following criteria:

- The debtor has material exposures which are more than 90 days past due;
- The debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless the existence of any past due amount or the number of days past due.

Refer to the section "The risk management process concerning Forbearance, Watchlist, Default and Impairments" in the Credit Risk chapter of the Management Report for further information.

7. Forbearance

	31/12/23			
	Gross carrying amount of exposures with forbearance measures	Impairment	Collateral received and financial guarantees received	
(in thousands of EUR)			Collateral received on exposures with forbearance measures	Financial guarantees received on exposures with forbearance measures
Loans and advances due from credit institutions	0	0	0	0
Loans and advances	1,566,836	(233,795)	1,051,942	39,038
Debt securities	0	0	0	0
Off-Balance sheet exposure	30,984	0	15,308	681

	31/12/24			
	Gross carrying amount of exposures with forbearance measures	Impairment	Collateral received and financial guarantees received	
(in thousands of EUR)			Collateral received on exposures with forbearance measures	Financial guarantees received on exposures with forbearance measures
Loans and advances due from credit institutions	0	0	0	0
Loans and advances	1,544,894	(246,544)	998,328	38,922
Debt securities	0	0	0	0
Off-Balance sheet exposure	51,902	1,670	18,919	2,237

Forbearance measures imply the granting of concessions towards a debtor facing, or about to face, difficulties in meeting its financial commitments. These concessions may take the form of modifications to the loan contract or debt restructuring.

They apply to all loans and debt securities that are on-balance sheet and also to some off-balance sheet commitments. They do not apply to debt securities held for trading exposures.

Specific criteria are established for each business segment. These provide for a practical interpretation of the concepts of “financial difficulties” and “concession”.

When granting a concession, the Bank is always led by a number of mainly business-related and economic factors. The fact that concessions are made, is one of the Watchlist indicators at Belfius and leads to a transfer of the exposures from stage 1 to stage 2 under IFRS 9.

At the end of 2024, an amount of EUR 1,597 million of loans at Belfius met the forbearance definition, of which EUR 50 million related to Belfius Insurance compared to, respectively, EUR 1,598 million and EUR 60 million at the end of 2023. Customers in the Corporate (EUR 739 million) and Business segment (EUR 498 million) represent the highest volumes with a forbearance status.

In 2024, the forbearance volumes decreased with EUR -1 million but the volumes still remain above pre-Covid levels. This is mainly explained by the outflow of forborne exposures related to Covid measures, especially related to Mortgages and to a lesser extent Business banking, combined with the increase in Corporate Banking and Business Banking forborne exposures since the end 2023.

Refer to the section “The risk management process concerning Forbearance, Watchlist, Default and Impairments” in the Credit Risk chapter of the Management Report for further information.

8. Movements in allowances for credit losses

(in thousands of EUR)	31/12/23 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	Total
LOANS AND ADVANCES DUE FROM CREDIT INSTITUTIONS Measured at amortised cost				
BALANCE AT 1 JANUARY	(75)	(43)	0	(118)
Changes due to origination, acquisition and derecognition	(87)	17	0	(70)
Changes due to credit risk(1)	31	(55)	0	(24)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	15	(15)	0	0
Foreign exchange and other movements	2	3	0	5
BALANCE AT 31 DECEMBER	(114)	(92)	0	(206)
LOANS AND ADVANCES Measured at amortised cost				
BALANCE AT 1 JANUARY	(169,546)	(425,251)	(1,207,544)	(1,802,342)
Changes due to origination, acquisition and derecognition	(129,414)	53,318	7,242	(68,854)
Changes due to credit risk(1)	225,629	(126,439)	(104,282)	(5,092)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	24,902	(23,725)	(1,177)	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(131,583)	169,466	(37,882)	0
Transfer from stage 3 (lifetime ECL credit impaired) to stages 1 & 2	(1,965)	(26,011)	27,976	0
Decrease in allowance due to write off	0	0	48,385	48,385
Foreign exchange and other movements	3,406	8,856	3,370	15,632
BALANCE AT 31 DECEMBER	(178,573)	(369,787)	(1,263,913)	(1,812,272)
LOANS AND ADVANCES Measured at fair value through other comprehensive income				
BALANCE AT 1 JANUARY	(8,206)	(214)	0	(8,420)
Changes due to origination, acquisition and derecognition	(964)	1,235	0	271
Changes due to credit risk(1)	4,475	(6,718)	1,409	(834)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	1,135	(1,096)	(39)	(0)
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(4,715)	6,031	(1,316)	0
Foreign exchange and other movements	(3,308)	(8,712)	(1,886)	(13,907)
BALANCE AT 31 DECEMBER	(11,584)	(9,473)	(1,833)	(22,890)

(1) Includes movements in expected credit losses (ECL) as a result of transfers from higher or lower stages.

(in thousands of EUR)	31/12/23 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	Total
DEBT SECURITIES				
Measured at amortised cost				
BALANCE AT 1 JANUARY	(1,877)	(149,649)	(3,325)	(154,852)
Changes due to origination, acquisition and derecognition	(734)	284	0	(450)
Changes due to credit risk(1)	1,960	(10,505)	840	(7,705)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	223	(223)	0	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(1,062)	1,062	0	0
Foreign exchange and other movements	451	(1,867)	0	(1,416)
BALANCE AT 31 DECEMBER	(1,039)	(160,898)	(2,485)	(164,423)
Measured at fair value through other comprehensive income				
BALANCE AT 1 JANUARY	(2,627)	(14,254)	(8,000)	(24,881)
Changes due to origination, acquisition and derecognition	(1,634)	1,203	8,000	7,568
Changes due to credit risk(1)	2,956	(4,304)	0	(1,348)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	371	(371)	0	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(2,136)	2,136	0	0
Foreign exchange and other movements	(450)	(714)	0	(1,164)
BALANCE AT 31 DECEMBER	(3,520)	(16,304)	0	(19,825)
OFF-BALANCE SHEET EXPOSURE				
BALANCE AT 1 JANUARY	53,385	106,712	12,126	172,222
Changes due to origination, acquisition and derecognition	73,922	(27,427)	(126)	46,369
Changes due to credit risk(1)	(88,411)	35,287	5,952	(47,172)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	(5,281)	4,810	472	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	18,988	(25,264)	6,277	0
Transfer from stage 3 (lifetime ECL credit impaired) to stages 1 & 2	1,064	5,144	(6,208)	0
Foreign exchange and other movements	(104)	(101)	(36)	(241)
BALANCE AT 31 DECEMBER	53,562	99,161	18,456	171,179

(1) Includes movements in expected credit losses (ECL) as a result of transfers from higher or lower stages.

(in thousands of EUR)	31/12/24 Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	Total
LOANS AND ADVANCES DUE FROM CREDIT INSTITUTIONS				
Measured at amortised cost				
BALANCE AT 1 JANUARY	(114)	(92)	0	(206)
Changes due to origination, acquisition and derecognition	28	5	0	34
Changes due to credit risk(1)	70	(90)	0	(20)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	5	(5)	0	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(5)	5	0	0
Foreign exchange and other movements	0	9	0	9
BALANCE AT 31 DECEMBER	(16)	(168)	0	(184)
LOANS AND ADVANCES				
Measured at amortised cost				
BALANCE AT 1 JANUARY	(178,573)	(369,787)	(1,263,913)	(1,812,272)
Changes due to origination, acquisition and derecognition	(162,674)	75,537	5,371	(81,767)
Changes due to credit risk(1)	255,768	(140,015)	(195,626)	(79,873)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	26,353	(24,703)	(1,650)	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(131,451)	172,446	(40,995)	0
Transfer from stage 3 (lifetime ECL credit impaired) to stages 1 & 2	(1,632)	(61,891)	63,523	0
Decrease in allowance due to write off	0	0	186,380	186,380
Foreign exchange and other movements	(144)	(362)	(579)	(1,085)
BALANCE AT 31 DECEMBER	(192,354)	(348,776)	(1,247,488)	(1,788,617)
LOANS AND ADVANCES				
Measured at fair value through other comprehensive income				
BALANCE AT 1 JANUARY	(11,584)	(9,473)	(1,833)	(22,890)
Changes due to origination, acquisition and derecognition	(1,543)	1,453	1,000	911
Changes due to credit risk(1)	6,519	(8,081)	834	(728)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	1,487	(1,300)	(188)	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(5,565)	6,853	(1,288)	0
Foreign exchange and other movements	0	0	(102)	(102)
BALANCE AT 31 DECEMBER	(10,686)	(10,547)	(1,577)	(22,810)

(1) Includes movements in expected credit losses (ECL) as a result of transfers from higher or lower stages.

	31/12/24			
(in thousands of EUR)	Financial instruments without significant increase in credit risk since initial recognition (stage 1)	Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired (stage 2)	Credit impaired financial assets (stage 3)	Total
DEBT SECURITIES				
Measured at amortised cost				
BALANCE AT 1 JANUARY	(1,039)	(160,898)	(2,485)	(164,423)
Changes due to origination, acquisition and derecognition	(49)	130	33,252	33,332
Changes due to credit risk(1)	151	(15,256)	(4,329)	(19,434)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	38	(38)	0	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	0	80,749	(80,749)	0
Foreign exchange and other movements	1	(5,978)	(1,014)	(6,990)
BALANCE AT 31 DECEMBER	(899)	(101,291)	(55,325)	(157,515)
Measured at fair value through other comprehensive income				
BALANCE AT 1 JANUARY	(3,520)	(16,304)	0	(19,825)
Changes due to origination, acquisition and derecognition	(1,209)	379	0	(829)
Changes due to credit risk(1)	2,820	2,126	(6,615)	(1,670)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	106	(106)	0	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	(703)	1,756	(1,053)	0
Foreign exchange and other movements	0	0	2,649	2,649
BALANCE AT 31 DECEMBER	(2,506)	(12,149)	(5,019)	(19,674)
Off-Balance sheet exposure				
BALANCE AT 1 JANUARY	53,562	99,161	18,456	171,179
Changes due to origination, acquisition and derecognition	59,184	(33,295)	0	25,889
Changes due to credit risk(1)	(79,548)	8,652	(1,824)	(72,720)
Transfer from stage 1 (12-month ECL) to stages 2 & 3	(6,760)	6,134	626	0
Transfer from stage 2 (lifetime ECL not credit impaired) to stages 1 & 3	21,296	(27,130)	5,834	0
Transfer from stage 3 (lifetime ECL credit impaired) to stages 1 & 2	4,499	9,593	(14,092)	0
Foreign exchange and other movements	118	235	1	355
BALANCE AT 31 DECEMBER	52,352	63,349	9,001	124,703

(1) Includes movements in expected credit losses (ECL) following transfers from higher or lower stages.

The gross amount in stage 1 and stage 1 impairment allowances of loans and advances increased in line with the new production in the portfolio measured at amortised cost. On the other hand, stage 2 impairment allowances of loans and advances decreased resulting from a reversal of a part of the Belfius' overlay for macroeconomic uncertainties and vulnerable exposures (EUR -68 million), as well as the migration of files from stage 2 to stage 3.

The gross amount and the impairment allowances in stage 3 of loans and advances increased resulting from an increase of exposures in default, o.w. a limited number of names in run-off portfolios and some individual files in the Belgian corporate sector as well as stage 3 provisions related to an increasing number of smaller files.

The impact on the statement of income amounts to EUR -133 million and is composed of EUR -124 million allowances for the commercial activities of Belfius Banking Group, EUR -8 million allowances for the run-off portfolios of the Belfius Banking Group and EUR -1 million allowances for Belfius Insurance Group. The stage 3 impairments amount to EUR -249 million for exposures in default, o.w. a limited number of names in the run-off portfolios and some individual files in the Belgian corporate sector, as well as stage 3 provisions related to an increasing number of smaller files. Furthermore, Belfius realized EUR 15 million capital gains on the sale of bonds (measured at amortised cost) in the ALM portfolio for risk adjustment purposes.

The increase in stage 3 is partly offset by EUR +116 million reversals in stage 1 and 2, due to:

- reversal of part of the Belfius' "Overlay for macroeconomic uncertainties and vulnerable exposures" for EUR +68 million. The scope of vulnerable exposures further evolved from "Energy and Inflation" driven exposures to sectors with risk concentrations (in terms of exposure and/or sector-specific risk profile); and

- migration of files from stage 2 to stage 3.

Note that Belfius has written-off EUR 122 million of stage 3 loans in 2024 for which there is no reasonable expectation of recovery but which are still subject to enforcement activity. In 2023, no such loans were written off.

We refer to the section "Fundamentals of credit risk in 2024" in the Credit Risk chapter of the Management Report for further information.

9. Credit risk information about financial liabilities designated at fair value through profit or loss

31/12/23	Book value	Amount of change in the fair value attributable to changes in the credit risk of the liability		Difference between carrying amount of the financial liability and contractual amount required to be paid at maturity [1]
(in thousands of EUR)		Change of the period	Cumulative amount	
	8,201,730	0	0	(322,941)

31/12/24	Book value	Amount of change in the fair value attributable to changes in the credit risk of the liability		Difference between carrying amount of the financial liability and contractual amount required to be paid at maturity [1]
(in thousands of EUR)		Change of the period	Cumulative amount	
	8,547,437	0	0	(116,490)

(1) This amount includes the premium/discount and the change in market value.

Belfius estimates that the own credit risk is nil and that there has been no significant change in own credit risk since issuance.

10. Write-offs

Belfius has written-off EUR 122 million of stage 3 loans in 2024 for which there is no reasonable expectation of recovery but which are still subject to enforcement activity. In 2023, no such loans were written off.

9.3. Information on asset encumbrance and collateral received

1.1. Assets

(in thousands of EUR)	31/12/23 Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Equity instruments	0	0	1,451,468	1,451,468
Debt securities	1,719,055	1,553,476	20,576,872	19,667,348
Loans and advances	17,472,069		97,059,100	
of which cash collateral given	4,135,272			

(in thousands of EUR)	31/12/24 Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Equity instruments	0	0	1,760,089	1,760,089
Debt securities	3,326,116	2,721,014	20,341,420	20,022,415
Loans and advances	15,474,634		104,115,617	
of which cash collateral given	3,379,759			

1.2. Collateral received

	31/12/23		31/12/24	
(in thousands of EUR)	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
Collateral received by the reporting institution	252,596	1,567,630	71,006	2,501,200
Debt securities	252,596	1,567,630	71,006	2,501,200
Other collateral received	0	0	0	0
Own debt securities issued other than own covered bonds or ABSs	0	436,822	0	517,276

2. Summary encumbrance by source

(in thousands of EUR)	31/12/23						
	Encumbered assets						TOTAL
	Loans and advances		Debt securities				
Source of encumbrance	Measured at amortised cost	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Fair value of encumbered collateral received or own debt securities issued	
Derivatives - collateral	4,084,697	0	816,598	0	0	22,422	4,923,717
Repurchase agreements	1,861,126	0	141,466	0	0	664	2,003,256
Collateralised deposits other than repurchase agreements	25,300	0	346,260	0	0	229,510	601,070
Central bank funding	1,924,283	0	26,928	0	0	0	1,951,211
Covered bonds issued	8,024,464	0	366,444	0	0	0	8,390,908
Asset-backed securities issued	0	0	0	0	0	0	0
Fair value of securities borrowed with non cash-collateral	0	0	0	0	0	0	0
Securities lending	0	0	0	0	0	0	0
Other	1,552,199	0	0	0	0	0	1,552,199
TOTAL	17,472,069	0	1,697,695	0	0	252,596	19,422,360

(in thousands of EUR)	31/12/24						
	Encumbered assets						TOTAL
	Loans and advances		Debt securities				
Source of encumbrance	Measured at amortised cost	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehen-sive income	Measured at fair value through profit or loss	Fair value of encumbered collateral received or own debt securities issued	
Derivatives - collateral	3,241,254	0	609,988	0	0	3,789	3,855,031
Repurchase agreements	1,861,467	0	242,145	0	0	544	2,104,156
Collateralised deposits other than repurchase agreements	25,300	0	499,296	0	0	66,673	591,268
Central bank funding	0	0	0	0	0	0	0
Covered bonds issued	8,275,895	0	398,487	0	0	0	8,674,382
Asset-backed securities issued	404,000	0	0	0	0	0	404,000
Fair value of securities borrowed with non cash-collateral	0	0	0	0	0	0	0
Securities lending	0	0	0	0	0	0	0
Other	1,666,718	0	1,576,201	0	0	0	3,242,919
TOTAL	15,474,634	0	3,326,116	0	0	71,006	18,871,756

This information on asset encumbrance was determined on a consolidated basis of Belfius Bank and Belfius Insurance, according to the current Belfius interpretation of the EBA definition and scope.

Following the EBA definition, an asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. This definition covers more than the IFRS requirements that focuses more on pledged assets. Among the encumbered assets the securities lending should not be considered as pledged. As a consequence, assets pledged according to IFRS 7 amount to EUR 18.5 billion. This represents a decrease of EUR 0.9 billion compared to 2023.

The definition of encumbered assets includes assets that were pledged as a result of repurchase agreements, loans granted by the central banks, guarantees for the issuance of covered bonds and securitisations, the assets given under bond lending transactions and collateral posted under the "Credit Support Annex" (CSA) or "Credit Support Deed" (CSD).

EBA disclosure requirements fit with IFRS 7 accounting standards disclosure requirements as it requests to report encumbered (and unencumbered) amounts of "own" assets both in carrying amount and in fair value, and encumbered (and unencumbered) amounts of received collateral in fair value.

Total collateral received amounts to EUR 2.6 billion end 2024. The Bank has the right to re-pledge this collateral that is fully available for encumbrance.

End 2024, an amount of EUR 3.9 billion of collateral is pledged for derivatives (cash + securities).

Belfius is active in the covered bond market since 2012. End 2024, the total notional amount issued was EUR 7.1 billion which represents an increase with EUR 0.3 billion compared to 2023. End 2024, the assets encumbered for this funding source consist of commercial loans (public sector and mortgage loans) and amount to EUR 8.3 billion (increase of EUR 0.3 billion compared to end 2023). Assets segregated in cover pools cannot be re-used by investors.

3. Encumbered assets/collateral received and associated liabilities

	31/12/23		31/12/24	
(in thousands of EUR)	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	13,866,296	19,422,360	12,188,575	18,871,756

4. Transfer of financial assets that do not qualify for derecognition in the consolidated balance sheet

31/12/23 (in thousands of EUR)	Carrying amount of transferred assets	Carrying amount of associated liabilities	For those liabilities that recourse only to the transferred asset: Fair value of transferred assets	Fair value of associated liabilities	Net position
Loans and advances due from credit institutions	0	0	0	0	0
Loans and advances	0	0	0	0	0
Debt securities	1,475,960	1,410,726	0	0	0
Equity instruments	0	0	0	0	0
Derivatives	0	0	0	0	0
TOTAL	1,475,960	1,410,726	0	0	0

31/12/24 (in thousands of EUR)	Carrying amount of transferred assets	Carrying amount of associated liabilities	For those liabilities that recourse only to the transferred asset: Fair value of transferred assets	Fair value of associated liabilities	Net position
Loans and advances due from credit institutions	0	0	0	0	0
Loans and advances	0	0	0	0	0
Debt securities	1,239,788	1,221,272	0	0	0
Equity instruments	0	0	0	0	0
Derivatives	0	0	0	0	0
TOTAL	1,239,788	1,221,272	0	0	0

A. Repurchase agreements

Belfius uses repurchase agreements as financing transactions where securities are sold to a market counterparty in exchange for cash and where the transferred securities are repurchased at maturity date of the contract.

The repurchase agreements are conducted under the terms of the Global Master Repurchase Agreements. The market counterparties are subject to the credit risk process as described in the management report.

Since all significant risks and rewards associated with ownership of the transferred securities are retained, the securities remain on the balance sheet of Belfius. The cash obtained under this transaction is recognised as a liability.

Since the counterparty, in case of default, has not only a right on the transferred assets, but on the entire debt, the columns “for those liabilities that resort only to the transferred assets” are not applicable on this.

B. Securitisation of credits

Belfius uses securitisation vehicles that are consolidated as most of the risks and rewards remain for Belfius. The underlying financial assets continue to be recognized on the balance sheet and the liquid assets obtained through securitisation are represented by a debt instrument. We refer to note 12. ”Securitisation” for further details.

5. Collateral and other credit enhancements obtained by taking possession of collateral

Amounts involved are immaterial.

6. Offsetting

Financial assets and financial liabilities are offset (and, consequently, only the net amount is reported) when Belfius has a legally or contractually enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

A. Financial assets subject to offsetting

31/12/23 (in thousands of EUR)	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off	Net amounts of financial assets presented in the balance sheet	Amounts not set off in the balance: Financial instrument	Amounts not set off in the balance: Securities + cash collateral received	Net amount
Derivatives with London Clearing House(1)	7,134,711	7,086,935	47,776	0	0	47,776
Derivatives with master netting agreements (1)	3,679,758	0	3,679,758	2,448,181	1,022,919	208,659
Reverse repurchase agreements with London Clearing House	0	0	0	0	0	0
Reverse repurchase agreements with master netting agreements(2)	1,598,118	28,574	1,569,544	0	1,569,461	83
Securities borrowing	0	0	0	0	0	0
Other financial instruments	0	0	0	0	0	0
TOTAL	12,412,587	7,115,509	5,297,078	2,448,181	2,592,380	256,518

31/12/24 (in thousands of EUR)	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off	Net amounts of financial assets presented in the balance sheet	Amounts not set off in the balance: Financial instrument	Amounts not set off in the balance: Securities + cash collateral received	Net amount
Derivatives with London Clearing House(1)	6,771,578	6,771,061	516	0	0	516
Derivatives with master netting agreements (1)	3,900,551	0	3,900,551	2,287,536	1,059,531	553,484
Reverse repurchase agreements with London Clearing House	0	0	0	0	0	0
Reverse repurchase agreements with master netting agreements(2)	2,488,196	782,509	1,705,687	0	1,704,211	1,476
Securities borrowing	0	0	0	0	0	0
Other financial instruments	0	0	0	0	0	0
TOTAL	13,160,325	7,553,570	5,606,755	2,287,536	2,763,742	555,477

(1) Derivatives are included on the balance sheet in line item VI. Derivatives.
(2) Reverse repurchase agreements are included on the balance sheet in line items II. Loans and advances due from credit institutions measured at amortised cost and III. Loans and advances measured at amortised cost.

B. Financial liabilities subject to offsetting

31/12/23 (in thousands of EUR)	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off	Net amounts of financial liabilities presented in the balance sheet	Amounts not set off in the balance: Financial instrument	Amounts not set off in the balance: Securities + cash collateral pledged	Net amount
Derivatives with London Clearing House	7,088,041	7,086,935	1,106	0	0	1,106
Derivatives with master netting agreements	6,067,731	0	6,067,731	2,448,181	3,315,920	303,631
Repurchase agreements with London Clearing House	0	0	0	0	0	0
Repurchase agreements with master netting agreements	1,462,476	28,574	1,433,902	0	1,433,902	0
Securities borrowing	0	0	0	0	0	0
Other financial instruments	0	0	0	0	0	0
TOTAL	14,618,248	7,115,509	7,502,739	2,448,181	4,749,822	304,737

31/12/24 (in thousands of EUR)	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off	Net amounts of financial liabilities presented in the balance sheet	Amounts not set off in the balance: Financial instrument	Amounts not set off in the balance: Securities + cash collateral pledged	Net amount
Derivatives with London Clearing House	6,811,729	6,771,061	40,668	0	0	40,668
Derivatives with master netting agreements	5,475,279	0	5,475,279	2,287,536	2,916,214	271,529
Repurchase agreements with London Clearing House	0	0	0	0	0	0
Repurchase agreements with master netting agreements	1,643,123	782,509	860,615	0	860,615	0
Securities borrowing	0	0	0	0	0	0
Other financial instruments	0	0	0	0	0	0
TOTAL	13,930,131	7,553,570	6,376,562	2,287,536	3,776,829	312,197

Belfius continues to reassign, where possible, derivatives to LCH for which offsetting is applied.

9.4. Interest-rate repricing risk: breakdown by remaining maturity until next refixing interest rate

Sight accounts and saving deposits are presented in the column “At sight and on demand” as the information presented below takes into account the residual maturity until the next interest-rate refixing date on the legal repayment date, rather than on the observed behavioral customer data. However, for the determination of the interest rate sensitivity of the net asset value or earnings, the observed behaviour of customers on these liabilities is taken into account (see note 9.5. “Market risk and ALM”).

1. 2023

A. Assets

(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undeter-mined maturity	Acrrued interest	Changes in fair value and fair value of derivatives	Impair-ment	Total
Cash and balances with central banks	20,481,156	0	0	0	0	0	6,366	0	(382)	20,487,140
Loans and advances due from credit institutions	3,616,498	1,616,977	19,185	5,700	291	80	15,724	0	(206)	5,274,249
Loans and advances	2,060,382	22,781,988	12,166,767	29,557,839	46,880,094	2,635,570	465,779	(204,978)	(1,812,272)	114,531,169
Debt securities & equity instruments	0	3,604,403	1,900,753	5,010,954	11,218,221	6,460,515	278,562	(385,377)	(164,423)	27,923,609
Derivatives							(347,434)	5,668,860	0	5,321,426
Gain/loss on the hedged item in portfolio hedge of interest rate risk								1,608,587		1,608,587
Assets from insurance/reinsurance contracts	0	11,850	14,015	30,832	41,109	0	0	0	0	97,806
Investments in equity method companiesPF						161,533				161,533
Tangible fixed assets						1,864,571				1,864,571
Intangible assets						326,957				326,957
Goodwill						103,966				103,966
Current tax assets						43,356				43,356
Deferred tax assets						451,229				451,229
Other assets	161,599	157,813	3,376	4,989	11,794	590,374	0	39,611	(2,386)	967,171
Non current assets (disposal group) held for sale and discontinued operations						19,624		0	(3,042)	16,582
TOTAL ASSETS	26,319,636	28,173,031	14,104,097	34,610,315	58,151,510	12,657,775	418,997	6,726,703	(1,982,711)	179,179,352
Regular way trade	0	905,981	248	45	0	263,111	0	0	0	1,169,384
Derivatives	0	106,715,930	76,809,313	41,605,737	35,034,481	2,009,114	0	0	0	262,174,574
Off Balance Sheet	0	107,621,911	76,809,560	41,605,781	35,034,481	2,272,224	0	0	0	263,343,958
TOTAL FOR INTEREST RATE REPRICING RISK	26,319,636	135,794,942	90,913,657	76,216,096	93,185,991	14,929,999	418,997	6,726,703	(1,982,711)	442,523,310

B. Liabilities

(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity	Acrrued interest	Changes in fair value and fair value of derivatives	Impairment	Total
Cash and balances from central banks	1,400,000	0	0	0	0	0	30,190	0	0	1,430,190
Credit institutions borrowings and deposits	1,110,237	1,441,151	1,303,007	31,241	1,349	5,453	19,952	0	0	3,912,390
Borrowings and deposits	80,402,425	18,394,297	4,244,105	289,980	249,449	13,765	408,841	(2,426)	0	104,000,435
Debt securities issued and other financial liabilities	0	7,204,464	6,498,343	14,290,443	3,945,616	4,180,583	218,541	(320,058)	0	36,017,933
Derivatives							411,900	6,817,532	0	7,229,432
Gain/loss on the hedged item in portfolio hedge of interest rate risk								(1,029,463)	0	(1,029,463)
Liabilities from insurance/reinsurance contracts	0	389,120	808,982	2,414,911	7,791,016	1,061			0	11,405,090
Provisions and contingent liabilities	0	0	0	0	0	314,682	0	0	171,179	485,860
Subordinated debts	0	0	496,339	676,706	497,668	72,000	35,282	0	0	1,777,995
Current tax liabilities						45,520			0	45,520
Deferred tax liabilities						7,001			0	7,001
Other liabilities	520,739	735,357	3,122	1,177	2	416,664	545	0	0	1,677,607
TOTAL LIABILITIES	83,433,401	28,164,389	13,353,897	17,704,459	12,485,101	5,056,729	1,125,250	5,465,585	171,179	166,959,989
Regular way trade	500,000	9,277,114	58	0	0	262,955	500,000	0	0	10,540,127
Derivatives	0	108,845,759	73,268,961	38,036,030	44,675,965	193,575	0	0	0	265,020,289
Off Balance Sheet	500,000	118,122,873	73,269,020	38,036,030	44,675,965	456,529	500,000	0	0	275,560,416
TOTAL FOR INTEREST RATE REPRICING RISK	83,933,401	146,287,261	86,622,917	55,740,489	57,161,065	5,513,258	1,625,250	5,465,585	171,179	442,520,405

C. Net position

(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity
On-balance-sheet sensitivity gap	(57,613,766)	(10,492,319)	4,290,740	20,475,607	36,024,926	9,416,741

The actual interest rate risk of Belfius is managed based on more advanced assumptions. (See note 9.5. Market risk and ALM).

2. 2024

A. Assets

(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity	Acrrued interest	Changes in fair value and fair value of derivatives	Impairment	Total
Cash and balances with central banks	22,258,260	0	0	0	0	0	1,739	0	(416)	22,259,583
Loans and advances due from credit institutions	3,014,015	1,437,478	13,102	6,969	0	102	24,614	0	(184)	4,496,096
Loans and advances	2,225,825	21,780,053	14,247,073	31,209,470	48,601,732	2,923,819	435,428	(44,532)	(1,788,617)	119,590,251
Debt securities & equity instruments	0	3,070,748	2,445,081	5,301,284	12,345,401	7,708,535	308,827	(1,044,035)	(162,515)	29,973,327
Derivatives							289,236	4,996,700	0	5,285,936
Gain/loss on the hedged item in portfolio hedge of interest rate risk								1,440,857		1,440,857
Assets from insurance/reinsurance contracts	0	11,620	29,335	38,009	18,554	0	0	0	0	97,517
Investments in equity method companies						205,470				205,470
Tangible fixed assets						2,067,563				2,067,563
Intangible assets						364,579				364,579
Goodwill						103,966				103,966
Current tax assets						54,754				54,754
Deferred tax assets						447,440				447,440
Other assets	169,633	222,419	5,870	5,880	5,809	608,684	0	48,865	(6,787)	1,060,374
Non current assets (disposal group) held for sale and discontinued operations						10,158	0	0	(436)	9,722
TOTAL ASSETS	27,667,734	26,522,318	16,740,460	36,561,613	60,971,496	14,495,070	1,059,844	5,397,855	(1,958,956)	187,457,435
Regular way trade	0	3,268,486	60,129	18	0	309,244	0	0	0	3,637,877
Derivatives	0	134,614,166	103,463,417	36,404,046	36,912,989	1,808,744	0	0	0	313,203,363
Off Balance Sheet	0	137,882,652	103,523,546	36,404,064	36,912,989	2,117,987	0	0	0	316,841,240
TOTAL FOR INTEREST RATE REPRICING RISK	27,667,734	164,404,970	120,264,006	72,965,677	97,884,485	16,613,058	1,059,844	5,397,855	(1,958,956)	504,298,674

B. Liabilities

(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undeter-mined maturity	Acrrued interest	Changes in fair value and fair value of derivatives	Impair-ment	Total
Cash and balances from central banks	0	0	0	0	0	0	0	0	0	0
Credit institutions borrowings and deposits	643,314	1,293,616	323,150	12,619	1,163	17,981	22,130	0	0	2,313,973
Borrowings and deposits	81,070,812	20,124,005	6,240,628	378,385	244,815	14,511	592,857	(3,308)	0	108,662,704
Debt securities issued and other financial liabilities	0	9,385,044	9,942,484	13,542,222	3,799,046	4,552,709	345,009	(113,313)	0	41,453,201
Derivatives							1,287,565	5,217,291	0	6,504,856
Gain/loss on the hedged item in portfolio hedge of interest rate risk								(611,090)	0	(611,090)
Liabilities from insurance/reinsurance contracts	0	388,905	816,456	2,550,361	8,031,325	0			0	11,787,047
Provisions and contingent liabilities	0	0	0	0	0	381,602	0	0	124,703	506,305
Subordinated debts	0	72,000	1,116,881	549,222	532,559	0	49,166	0	0	2,319,828
Current tax liabilities						69,513			0	69,513
Deferred tax liabilities						7,202			0	7,202
Other liabilities	546,408	680,536	4,036	889	3	378,095	595	0	0	1,610,562
Liabilities included in disposal group and discontinued operations	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	82,260,534	31,944,106	18,443,635	17,033,698	12,608,911	5,421,613	2,297,321	4,489,580	124,703	174,624,102
Regular way trade	500,000	8,787,812	79,989	7,250	0	311,241	500,000	0	0	10,186,292
Derivatives	0	139,731,815	106,046,394	23,203,978	47,145,726	99,717	0	0	0	316,227,630
Off Balance Sheet	500,000	148,519,628	106,126,383	23,211,228	47,145,726	410,957	500,000	0	0	326,413,922
TOTAL FOR INTEREST RATE REPRICING RISK	82,760,534	180,463,734	124,570,019	40,244,927	59,754,636	5,832,571	2,797,321	4,489,580	124,703	501,038,025

C. Net position

(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity
On-balance-sheet sensitivity gap	(55,092,801)	(16,058,764)	(4,306,013)	32,720,751	38,129,849	10,780,487

The actual interest rate risk of Belfius is managed based on more advanced assumptions. (See note 9.5. Market risk and ALM).

9.5. Market risk and ALM

1. Financial markets

Within Belfius Bank, the Financial Markets department (FM) is the central point of entry to the financial markets. In general aspect, the department does not negotiate positions for own account: all transactions are based on client transactions. Transactions made by external or internal clients, for instance ALM including liquidity management belonging to the last category, are hedged overall within a framework of limits that complies with Belfius' risk policies. As a result, the various market risks are kept within that framework, a.o. by hedging transactions. The VaR figures stated below reflect these residual positions.

The risks on client flow management activities include general interest rate (including inflation), foreign exchange, equity prices, credit spread and other risks (CO2). These risks are managed within Value at Risk limits and other appropriate risk limits.

Cash and Liquidity Management (CLM) is monitored by means of Value at Risk limits (VaR) and interest rate sensitivity limits.

The spread risk of credit derivatives, value adjustments (XVA) and client flow management activities are managed with spread limits.

The Value-at-Risk (VaR) concept is used as the principal metric for 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 historical market conditions over a period of 10 days with a confidence interval of 99%. The following risks are monitored at Belfius using a VaR computation:

- The interest rate, inflation and foreign-exchange (forex) rate risk: this category of risk is monitored via a historical VaR based on an internal model approved by the National Bank of Belgium and the European Central Bank. 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.

In addition, Belfius computes a Stressed Value-at-Risk (S-VaR) on top of its regular VaR, which is also used for the computation of weighted risks for Market Risk. This S-VaR measure consists of calculating a historical VaR based on a 12 consecutive months observation period which generates the largest negative variations of Net Present Value in the bank's current portfolio of financial instruments.

VaR(1) (99%, 10 days)	31/12/23				31/12/24			
(in thousands of EUR)	IR & FX (2)(3)	Equity	Spread	Other risks(4)	IR & FX (2)(3)	Equity	Spread	Other risks(4)
By activity								
Average	6,131	3,503	1,266	634	5,643	3,747	526	159
End of period	5,305	2,821	954	311	2,877	4,236	117	299
Maximum	11,292	7,889	1,992	3,812	10,183	8,625	1,855	422
Minimum	3,543	2,095	715	311	2,786	1,870	49	6
Global								
Average	11,534				10,075			
End of period	9,391				7,529			
Maximum	17,302				14,821			
Minimum	8,998				7,523			
Limit	26,300				26,300			

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

Interest rate risk (IR) and forex risk (FX) are not measured separately. The forex risk is however not material.

2. FM Positions monitored outside of VaR

A separate sensitivity based monitoring is in place for three blocks of activities that are not part of the VaR scope as well as for related hedges. For each type separately and for all three combined, limits are in place for interest rate, FX, inflation and credit spread sensitivities. Other less material risks are also monitored and limited (e.g. volatility of interest rates or forex) where relevant.

Firstly, the value adjustments (CVA/DVA/FVA) related to Belfius' derivative exposures are sensitive to market risk as well. While certain sensitivities can be hedged almost completely (interest rate, inflation and currency), other risks like credit spreads and funding spread can only be hedged with proxies (like ITRAXX).

Similarly for the credit derivatives, the IR, FX and inflation sensitivities are well hedged, and also credit spreads sensitivity is within limits.

Finally, the hedge inefficiency of the bond portfolio due to the difference in discount curve for the bond and its accounting hedge swap is managed on a daily basis as well as hedges for the inefficiency stemming from inflation, basis risk and directional IR exposure.

Basis Point Sensitivity	31/12/23					31/12/24				
(in thousands of EUR)	IR	Spread[1]	Tenor Basis	Cross currency	Inflation risk	IR	Spread[1]	Tenor Basis	Cross currency	Inflation risk
EOY	(18)	(96)	9	(33)	20	(5)	(280)	34	(3)	4

(1) Impact of a 1bp increase in credit spread.

3. Asset-liability management (ALM)

A. Interest rate risk

In respect to the interest rate risk, Belfius Bank pursues a prudent risk management of its interest rate positions in the banking book within a well-defined internal and regulatory limit framework, with a clear focus on generating stable earnings and preserving the economic value of the balance sheet and this in a macro-hedging approach, thoughtfully considering natural hedges available in the bank balance sheet.

The management of non-maturing or 'on-demand' deposits (such as payment and savings accounts) and non-interest-bearing products use portfolio replication techniques. The underlying hypotheses concerning expected duration, rate-fixing period and tariff evolution are subject to constant monitoring and, if necessary, they are adjusted by the ALCo. Implicit interest rate options like prepayment risk are integrated through behavioural models. All ALM models are following the three lines of defense.

Interest rate risk has two forms: economic value of equity volatility and earnings volatility. The measurement of both of these forms is complementary in understanding the complete scope of interest rate risks in the banking book.

Banks' ALM objective is to protect the net interest income from downward/upward pressures in the current volatile interest rate environment, while respecting the risk appetite limits on the variation of economic value.

Economic value indicators capture the long-term effect of interest rate changes on the economic value of the Bank. Interest rate sensitivity of economic value of equity measures the net change in the ALM balance sheet's economic value of equity (under run off balance sheet assumption) if interest rates move by 10 bps across the entire curve. The long-term sensitivity of the ALM perimeter was EUR -80 million per 10 bps as at 31 December 2024 (compared to EUR -75 million per 10 bps as at 31 December 2023), excluding interest positions of Belfius Insurance and of the pension funds of Belfius Bank.

Earnings at Risk indicators capture the shorter-term effect of the interest rate changes on the earnings of the Bank (under stable balance sheet assumption). Therefore, indirectly through profitability, interest rate changes can also have a shorter-term solvency effect. A +100 bps increase of interest rates has an estimated impact on net interest income (before tax) of EUR -34 million of the next book year and an estimated cumulative effect of EUR -50 million over a three year period, whereas a -100 bps decrease would lead to an estimated impact of EUR -3 million of the next book year and an estimated cumulative effect of EUR -135 million over a three year period.

In addition to directional interest rate risk, curvature risk, due to steepening or flattening of the interest rate curve, is also followed up within a normative framework by the ALCo. The same goes for basis spread risk between Euribor and €STR (Euro short-term rate) and cross-currency spread risk.

During 2024, the short-term interest rates started to decrease, induced by the ECB policy to lower its policy rates after stabilization of inflation and in an effort to boost the Eurozone's lagging economy. Long-term rates, however, had a more volatile evolution over the course of 2024, driven by geopolitical uncertainties. The interest rate curve remained inverted through 2024 to evolve to an almost flat situation by the end of the year. This impacted the maturity transformation model of a universal bank such as Belfius Bank and our Net Interest Income in 2024. The decrease in Net Interest Income 2024 with 4% compared to 2023 can be mainly attributed to 1) the outflow generated by the Belgian state bond in September 2023 for EUR 3.6 billion (low yielding liabilities left the balance sheet and have been replaced by more expensive funding sources), and 2) the non-remuneration of the monetary reserves implemented by the ECB in the second half of 2023. Despite these headwinds, Net Interest Income remained resilient thanks to the low tariffs on non-maturing deposits maintained in 2024 and ALM protecting measures. From a product mix perspective, the decrease in interest rates stabilized the shift of volumes from savings and payment accounts towards term funding (mainly term accounts), with the exception of the launch of term deposits in response to peers' offering at the return of the funding from the Belgian State bond.

The ALCo will remain attentive to a volatile interest rate environment with the primary objective to respect the Risk Appetite Framework (RAF). ALM conventional models are regularly reviewed at the light of the macro-economic environment and prevailing interest rates. During 2024, the evolution of interest rates showed no clear arguments for changing the duration of our conventional models for savings accounts.

(in thousands of EUR)	31/12/23	31/12/24
Bank		
Economic value (+10 bps)	(75,075)	(80,188)
Earnings at risk (+100 bps)	(13,568)	(33,925)
Insurance		
Economic value (+10 bps)	4,861	500
Earnings at risk (+50 bps)	2,268	2,641

B. Real estate - direct property

(in thousands of EUR)	31/12/23	31/12/24
	Measured at amortised cost	Measured at amortised cost
Insurance		
Market value	680,375	723,950
Shock 15% (negative)	(102,056)	(108,592)

Sensitivities are only reported for the direct property investment portfolio of Belfius Insurance group. The direct property held by the Belfius bank mainly includes leasing contracts for the construction of property and property for own use.

4. Debt securities

A. Outstanding nominal amounts debt securities

	31/12/23			31/12/24		
(in thousands of EUR)	Measured at amortised cost	Measured at fair value through other comprehen-sive income	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehen-sive income	Measured at fair value through profit or loss
Bank - bond portfolio (nominal value)	10,768,727		10,000	11,930,069		10,000
Insurance - bond portfolio (nominal value)	0	7,668,713	31,785	0	8,473,973	34,574
Insurance - investment funds (market value)			879,784			631,759

B. Interest-rate sensitivity

(in thousands of EUR)	31/12/23 Measured at amortised cost	31/12/23 Measured at fair value through other comprehensive income	31/12/23 Measured at fair value through profit or loss	31/12/24 Measured at amortised cost	31/12/24 Measured at fair value through other comprehensive income	31/12/24 Measured at fair value through profit or loss
Bond portfolio	0	(5,185)	(36)	0	(6,063)	(22)

The interest rate risk of the bond portfolio of the bank is either micro-hedged (for the former Side portfolio; hence low net interest rate sensitivity) or is managed through the ALM-framework (hence net interest rate sensitivity part of global ALM interest rate sensitivity). Furthermore, for all debt securities measured at fair value through profit and loss within the banking book the interest rate is managed within the framework of the financial markets. The sensitivity to 1 bp interest rate increase of the value of the bond portfolio of the insurance companies amounted to EUR -6.1 million at the end of 2024, part of the global ALM management of the insurance companies.

C. Credit-spread sensitivity

This calculation estimates the sensitivity of the value of the bond portfolio after one basis point spread widening.

(in thousands of EUR)	31/12/23 Measured at amortised cost	31/12/23 Measured at fair value through other comprehensive income	31/12/23 Measured at fair value through profit or loss	31/12/24 Measured at amortised cost	31/12/24 Measured at fair value through other comprehensive income	31/12/24 Measured at fair value through profit or loss
Bank	(9,788)		(3)	(10,340)		(2)
Insurance	0	(5,222)	(60)	0	(6,453)	(137)

D. Shock Equity risk 30% (negative)

Concerns equity shock on investment funds within Belfius Insurance.

(in thousands of EUR)	31/12/23 Measured at fair value through other comprehensive income	31/12/24 Measured at fair value through other comprehensive income
Insurance	(81,499)	(81,568)

5. Listed equity & real estate

(in thousands of EUR)	31/12/23 Measured at fair value through other comprehensive income	31/12/24 Measured at fair value through other comprehensive income
Insurance		
Market value – quoted shares & assimilated	224,318	307,100
Market value – quoted real estate	134,502	161,089
Shock 30% (negative)	(107,646)	(140,457)
VaR (99%, 10 days)	27,969	25,044

9.6. Liquidity risk

Liquidity is managed with a view to comply with our Liquidity Risk Management guidelines and framework. We also refer to the management report for a detailed description.

We refer to the management report for more information on the Liquidity Coverage Ratio. 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 liquid assets to hold must be equal to or greater than their net cash outflow over a 30-day period under stress (as such, having at least 100% coverage). The parameters of the stress scenario are defined under Basel III.

Belfius Insurance holds a significant amount of unencumbered assets that are eligible at the ECB. More specific, the company invests at least 40% of its bond portfolio in government bonds eligible for repos in the context of its liquidity management.

Breakdown residual maturity

We do not disclose amounts on the expected prepayment dates as such we have used the contractual maturity date for this table. Current accounts and saving deposits are included in the column "At sight and on demand" even if they have no fixed repayment date. All other assets and liabilities are split over the different periods according to the contractual cashflows characteristics.

1. 2023

A. Assets

(in thousands of EUR)	Breakdown of gross amount and premium/discount: At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity	Acrrued interest	Changes in fair value and fair value of derivatives	Impairment	Total
Cash and balances with central banks	20,481,156	0	0	0	0	0	6,366	0	(382)	20,487,140
Loans and advances due from credit institutions	3,616,791	1,231,205	10,935	5,700	394,020	80	15,724	0	(206)	5,274,249
Loans and advances	2,060,382	17,908,692	10,603,603	30,610,257	52,278,978	2,620,727	465,779	(204,978)	(1,812,272)	114,531,169
Debt securities & equity instruments	0	663,031	827,795	5,088,764	15,152,959	6,462,298	278,562	(385,377)	(164,423)	27,923,609
Derivatives	0	0	0	0	0	0	(347,434)	5,668,860	0	5,321,426
Gain/loss on the hedged item in portfolio hedge of interest rate risk	0	0	0	0	0	0	0	1,608,587	0	1,608,587
Assets from insurance/reinsurance contracts	0	11,850	14,015	30,832	41,109	0	0	0	0	97,806
Investments in equity method companies	0	0	0	0	0	161,533	0	0	0	161,533
Tangible fixed assets	0	0	0	0	0	1,864,571	0	0	0	1,864,571
Intangible assets	0	0	0	0	0	326,957	0	0	0	326,957
Goodwill	0	0	0	0	0	103,966	0	0	0	103,966
Current tax assets	0	0	0	0	0	43,356	0	0	0	43,356
Deferred tax assets	0	0	0	0	0	451,229	0	0	0	451,229
Other assets	161,599	159,665	3,374	5,001	6,919	593,387	0	39,611	(2,386)	967,171
Non current assets (disposal group) held for sale and discontinued operations	0	0	0	0	0	19,624	0	0	(3,042)	16,582
TOTAL ASSETS	26,319,929	19,974,444	11,459,723	35,740,555	67,873,985	12,647,728	418,997	6,726,703	(1,982,711)	179,179,352
Regular way trade	0	1,169,383	0	0	0	2	0	0	0	1,169,384
Foreign exchange derivatives	0	3,648,702	2,551,044	6,700,211	20,263,478	0	0	0	0	33,163,435
Cash Flow From Derivatives And Regular Way Trade	0	4,818,084	2,551,044	6,700,211	20,263,478	2	0	0	0	34,332,819
TOTAL	26,319,929	24,792,528	14,010,767	42,440,766	88,137,463	12,647,729	418,997	6,726,703	(1,982,711)	213,512,170

B. Liabilities

(in thousands of EUR)	Breakdown of gross amount and premium/discount						Acrrued interest	Changes in fair value and fair value of derivatives	Impairment	Total
	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity	Acrrued interest	Acrrued interest	Acrrued interest	
Cash and balances from central banks	1,400,000	0	0	0	0	0	30,190	0	0	1,430,190
Credit institutions borrowings and deposits	1,110,237	1,441,151	1,303,007	31,241	1,349	5,453	19,952	0	0	3,912,390
Borrowings and deposits	80,402,425	18,300,297	4,244,105	323,980	309,449	13,765	408,841	(2,426)	0	104,000,435
Debt securities issued and other financial liabilities	0	4,645,557	3,339,732	19,138,147	4,815,731	4,180,282	218,541	(320,058)	0	36,017,933
Derivatives	0	0	0	0	0	0	411,900	6,817,532	0	7,229,432
Gain/loss on the hedged item in portfolio hedge of interest rate risk	0	0	0	0	0	0	0	(1,029,463)	0	(1,029,463)
Provisions and contingent liabilities	0	0	0	0	0	314,682	0	0	171,179	485,860
Liabilities from insurance/reinsurance contracts	0	389,120	808,982	2,414,911	7,791,016	1,061	0	0	0	11,405,090
Subordinated debts	0	0	0	676,706	994,007	72,000	35,282	0	0	1,777,995
Current tax liabilities	0	0	0	0	0	45,520	0	0	0	45,520
Deferred tax liabilities	0	0	0	0	0	7,001	0	0	0	7,001
Other liabilities	520,739	745,729	2,236	1,173	77	407,108	545	0	0	1,677,607
TOTAL LIABILITIES	83,433,401	25,521,854	9,698,061	22,586,158	13,911,630	5,046,873	1,125,250	5,465,585	171,179	166,959,989
Shareholders' core equity	0	0	0	0	0	11,491,257	0	0	0	11,491,257
Gains and losses not recognised in the statement of income	0	0	0	0	0	193,093	0	0	0	193,093
Total Shareholders' Equity	**0**	**0**	**0**	**0**	**0**	**11,684,350**	**0**	**0**	**0**	**11,684,350**
Additional Tier-1 instruments included in equity						497,083				497,083
Non-controlling interests						37,929				37,929
TOTAL EQUITY	0	0	0	0	0	12,219,362	0	0	0	12,219,362
TOTAL LIABILITIES AND EQUITY	83,433,401	25,521,854	9,698,061	22,586,158	13,911,630	17,266,235	1,125,250	5,465,585	171,179	179,179,352
Regular way trade	500,000	9,539,877	0	0	0	250	0	0	0	10,040,127
Foreign exchange derivatives	0	3,651,527	2,530,244	6,647,469	19,949,308	0	0	0	0	32,778,548
Cash Flow From Derivatives And Regular Way Trade	**500,000**	**13,191,404**	**2,530,244**	**6,647,469**	**19,949,308**	**250**	**0**	**0**	**0**	**42,818,675**
TOTAL	83,933,401	38,713,257	12,228,305	29,233,626	33,860,938	17,266,485	1,125,250	5,465,585	171,179	221,998,026

C. Total liquidity gap

(in thousands of EUR)	Breakdown of gross amount and premium/discount At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity
Total liquidity gap	(57,613,473)	(13,920,729)	1,782,462	13,207,140	54,276,525	(4,618,755)

2. 2024

A. Assets

	Breakdown of gross amount and premium/discount						Accrued interest	Changes in fair value and fair value of derivatives	Impairment	Total
(in thousands of EUR)	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity	Accrued interest	Accrued interest	Accrued interest	
Cash and balances with central banks	22,258,260	0	0	0	0	0	1,739	0	(416)	22,259,583
Loans and advances due from credit institutions	3,014,015	1,032,321	13,102	6,969	405,157	102	24,614	0	(184)	4,496,096
Loans and advances	2,225,825	18,550,523	11,496,555	31,622,498	54,168,753	2,923,819	435,428	(44,532)	(1,788,617)	119,590,251
Debt securities & equity instruments	0	769,056	1,348,948	5,372,615	15,670,114	7,710,317	308,827	(1,044,035)	(162,515)	29,973,327
Derivatives	0	0	0	0	0	0	289,236	4,996,700	0	5,285,936
Gain/loss on the hedged item in portfolio hedge of interest rate risk	0	0	0	0	0	0	0	1,440,857	0	1,440,857
Assets from insurance/reinsurance contracts	0	11,620	29,335	38,009	18,554	0	0	0	0	97,517
Investments in equity method companies	0	0	0	0	0	205,470	0	0	0	205,470
Tangible fixed assets	0	0	0	0	0	2,067,563	0	0	0	2,067,563
Intangible assets	0	0	0	0	0	364,579	0	0	0	364,579
Goodwill	0	0	0	0	0	103,966	0	0	0	103,966
Current tax assets	0	0	0	0	0	54,754	0	0	0	54,754
Deferred tax assets	0	0	0	0	0	447,440	0	0	0	447,440
Other assets	212,409	179,541	3,656	5,964	6,217	610,508	0	48,865	(6,787)	1,060,374
Non current assets (disposal group) held for sale and discontinued operations	0	0	0	0	0	10,158	0	0	(436)	9,722
TOTAL ASSETS	27,710,510	20,543,060	12,891,595	37,046,056	70,268,795	14,498,675	1,059,844	5,397,855	(1,958,956)	187,457,435
Regular way trade	0	3,637,877	0	0	0	0	0	0	0	3,637,877
Foreign exchange derivatives	0	5,770,162	3,237,373	6,137,161	21,505,801	0	0	0	0	36,650,497
Cash Flow From Derivatives And Regular Way Trade	**0**	**9,408,039**	**3,237,373**	**6,137,161**	**21,505,801**	**0**	**0**	**0**	**0**	**40,288,374**
TOTAL	27,710,510	29,951,099	16,128,968	43,183,217	91,774,595	14,498,675	1,059,844	5,397,855	(1,958,956)	227,745,808

B. Liabilities

(in thousands of EUR)	Breakdown of gross amount and premium/discount						Acrrued interest	Changes in fair value and fair value of deriva-tives	Impair-ment	Total
	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undeter-mined maturity				
Cash and balances from central banks	0	0	0	0	0	0	0	0	0	0
Credit institutions borrowings and deposits	643,314	1,293,616	323,150	12,619	1,163	17,981	22,130	0	0	2,313,973
Borrowings and deposits	81,070,812	20,045,005	6,259,628	438,385	244,815	14,511	592,857	(3,308)	0	108,662,704
Debt securities issued and other financial liabilities	0	5,699,095	7,052,338	19,376,320	4,541,043	4,552,709	345,009	(113,313)	0	41,453,201
Derivatives	0	0	0	0	0	0	1,287,565	5,217,291	0	6,504,856
Gain/loss on the hedged item in portfolio hedge of interest rate risk	0	0	0	0	0	0	0	(611,090)	0	(611,090)
Provisions and contingent liabilities	0	0	0	0	0	381,602	0	0	124,703	506,305
Liabilities from insurance/reinsurance contracts	0	388,905	816,456	2,550,361	8,031,325	0	0	0	0	11,787,047
Subordinated debts	0	72,000	122,903	549,222	1,526,537	0	49,166	0	0	2,319,828
Current tax liabilities	0	0	0	0	0	69,513	0	0	0	69,513
Deferred tax liabilities	0	0	0	0	0	7,202	0	0	0	7,202
Other liabilities	546,408	680,900	4,036	954	399	377,270	595	0	0	1,610,562
Liabilities included in disposal group and discontinued operations	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	82,260,534	28,179,522	14,578,511	22,927,862	14,345,281	5,420,788	2,297,321	4,489,580	124,703	174,624,102
shareholders' core equity	0	0	0	0	0	12,195,325	0	0	0	12,195,325
Gains and losses not recognised in the statement of income	0	0	0	0	0	(8,319)	0	0	0	(8,319)
Total Shareholders' Equity	**0**	**0**	**0**	**0**	**0**	**12,187,006**	**0**	**0**	**0**	**12,187,006**
Additional Tier-1 instruments included in equity						600,690				600,690
Non-controlling interests						45,637				45,637
TOTAL EQUITY	0	0	0	0	0	12,833,333	0	0	0	12,833,333
TOTAL LIABILITIES AND EQUITY	82,260,534	28,179,522	14,578,511	22,927,862	14,345,281	18,254,120	2,297,321	4,489,580	124,703	187,457,435
Cash Flow From Derivatives And Regular Way Trade	**500,000**	**14,913,415**	**3,259,342**	**6,116,924**	**21,188,584**	**0**	**0**	**0**	**0**	**45,978,265**
TOTAL	82,760,534	43,092,937	17,837,853	29,044,786	35,533,865	18,254,120	2,297,321	4,489,580	124,703	233,435,700

C. Total liquidity gap

(in thousands of EUR)	Breakdown of gross amount and premium/discount					
	At sight and on demand	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Undetermined maturity
Total liquidity gap	(55,050,025)	(13,141,837)	(1,708,886)	14,138,431	56,240,730	(3,755,445)

9.7. Currency risk and foreign exchange

1. Currency risk

(in thousands of EUR)	31/12/23				
	GBP	USD	Other	EUR	Total
Total assets	6,802,609	1,834,338	773,127	169,769,277	179,179,352
Total liabilities	3,691,447	2,679,941	1,201,602	159,387,000	166,959,989
Total equity	(155,320)	19,076	14,321	12,341,285	12,219,362
Of which gains and losses not recognised in the statement of income	(155,320)	18,318	14,321	328,059	205,379
Of which other equity	0	758	0	12,013,225	12,013,983
Net On Balance Position	**3,266,482**	**(864,679)**	**(442,796)**	**(1,959,007)**	**0**
Off balance sheet – to receive	3,838,942	15,679,975	2,462,385	11,166,413	33,147,714
Off balance sheet – to deliver	7,049,914	14,788,658	1,909,556	9,010,408	32,758,536
Off Balance Sheet – Net Position	**(3,210,972)**	**891,317**	**552,829**	**2,156,005**	**389,178**
NET POSITION	55,509	26,638	110,033	196,998	

(in thousands of EUR)	31/12/24				
	GBP	USD	Other	EUR	Total
Total assets	6,103,212	1,726,933	458,270	179,169,020	187,457,435
Total liabilities	3,252,326	2,956,399	784,410	167,630,968	174,624,102
Total equity	(222,737)	(835)	14,748	13,042,156	12,833,333
Of which gains and losses not recognised in the statement of income	(222,737)	(835)	15,637	214,484	6,550
Of which other equity	0	0	(889)	12,827,671	12,826,782
Net On Balance Position	**3,073,623**	**(1,228,632)**	**(340,888)**	**(1,504,103)**	**0**
Off balance sheet – to receive	5,149,855	18,440,303	2,240,896	12,225,273	38,056,327
Off balance sheet – to deliver	8,184,890	17,164,191	1,756,124	10,598,535	37,703,740
Off Balance Sheet – Net Position	**(3,035,035)**	**1,276,112**	**484,772**	**1,626,738**	**352,588**
NET POSITION	38,588	47,480	143,884	122,635	

Depending on the measurement of the asset, foreign exchange gains and losses are recognised in profit or loss "Net income from financial instruments at fair value through profit or loss" or in other comprehensive income. We refer to the accounting policies for more information.

2. Foreign exchange

		31/12/23		31/12/24	
		Closing rate	Average rate	Closing rate	Average rate
Australian dollar	AUD	1.6263	1.6332	1.6720	1.6408
Canadian dollar	CAD	1.4642	1.4601	1.4888	1.4811
Swiss franc	CHF	0.9260	0.9699	0.9383	0.9516
Koruna (Czech republic)	CZK	24.7240	23.9663	25.1665	25.1519
Danish krone	DKK	7.4529	7.4507	7.4576	7.4576
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound sterling	GBP	0.8691	0.8685	0.8268	0.8448
Hong Kong dollar	HKD	8.6314	8.4793	8.0460	8.4237
Forint	HUF	382.8000	380.6263	411.1850	396.9746
Shekel	ILS	3.9823	4.0096	3.7762	3.9810
Yen	JPY	156.3300	153.2158	162.7300	163.7379
Mexican peso	MXN	18.7231	19.0536	21.5474	20.0002
Norwegian Krone	NOK	11.2405	11.4512	11.7604	11.6564
New Zealand dollar	NZD	1.7504	1.7650	1.8481	1.7899
Swedish krona	SEK	11.0960	11.4803	11.4400	11.4424
Singapore dollar	SGD	1.4591	1.4531	1.4128	1.4438
Turkish lira	TRY	32.6531	26.2747	36.6559	35.7658
US dollar	USD	1.1050	1.0828	1.0360	1.0797

9.8. Insurance Risk

1. Definition

We refer to the chapter “Risk management” of the management report for further information, section Insurance Risk.

2. Managing the insurance risk

We refer to the chapter “Risk management” of the management report for further information, section Insurance Risk.

3. Insurance and market risks – Sensitivity analysis

Belfius Insurance evaluates the effect of sensitivities on the IFRS 17 fulfilment cash flows.

The main drivers for the Best Estimate of life insurance products are:

- Mortality rates: an increase of the expected mortality rates leads to an increase of the Best Estimate. The increase coming mainly from the mortality products. The increase is partially compensated by a decrease in Best estimate of the pure endowment products.
- Expected expenses: an increase of the expected expenses has a significant impact on the best estimate of life insurance liabilities.
- Lapse rate: the impact of a shock in the surrender rates switched compared to last year.

For non-life insurance products, the main drivers for the Best Estimate are:

- Expected expenses: an increase in the expected expenses leads to lower results.
- Claims estimates: an increase in claims leads to lower results.

A. Insurance risks

Contracts accounted for under the GMM(1):

	Impact on Best Estimate	
(in millions of EUR)	31/12/23	31/12/24
An increase of 15% in mortality	36.1	48.3
An increase of 10% in costs + 1% inflation	156.7	125.9
A decrease of 10% in the redemption rate	10.9	(20.9)

(1) Scope: Belfius Insurance SA, Health individual excluded.

The Best Estimate cash flows are determined using both financial and non-financial parameters. Changes to non-financial parameters are either recognised through an adjustment of the CSM (for changes related to future service), or through the income statement (for changes related to past or current service, changes to the LIC, or for onerous contracts).

The table below shows the sensitivities of the main non-financial parameters:

(In millions of EUR)		31/12/23	
Expense (+10%)	**CSM**	**P&L**	**Equity**
Endowment (products with interest guarantee on future premiums)	(28.2)	(4.1)	(4.1)
Insurance (products with mainly mortality risk)	(38.5)	(7.4)	(7.4)
Investment Long (long-term saving products without interest guarantee on future premiums)	(57.1)	(18.3)	(18.3)
Investment Short (short-term saving products without interest guarantee on future premiums)	(1.0)	(2.1)	(2.1)
TOTAL	(124.8)	(31.9)	(31.9)

Lapse (-10%)	**CSM**	**P&L**	**Equity**
Endowment (products with interest guarantee on future premiums)	8.1	0.8	0.8
Insurance (products with mainly mortality risk)	(4.5)	(0.9)	(0.9)
Investment Long (long-term saving products without interest guarantee on future premiums)	(6.6)	(1.5)	(1.5)
Investment Short (short-term saving products without interest guarantee on future premiums)	(1.9)	(4.5)	(4.5)
TOTAL	(4.9)	(6.0)	(6.0)

Mortality (+15%)	**CSM**	**P&L**	**Equity**
Endowment (products with interest guarantee on future premiums)	7.4	0.7	0.7
Insurance (products with mainly mortality risk)	(32.3)	(6.1)	(6.1)
Investment Long (long-term saving products without interest guarantee on future premiums)	(2.9)	(1.0)	(1.0)
Investment Short (short-term saving products without interest guarantee on future premiums)	(0.6)	(1.2)	(1.2)
TOTAL	(28.5)	(7.6)	(7.6)

(In millions of EUR)	31/12/24		
Expense (+10%)	**CSM**	**P&L**	**Equity**
Endowment (products with interest guarantee on future premiums)	(13.9)	(6.3)	(6.3)
Insurance (products with mainly mortality risk)	(37.5)	-	-
Investment Long (long-term saving products without interest guarantee on future premiums)	(49.3)	(15.8)	(15.8)
Investment Short (short-term saving products without interest guarantee on future premiums)	(1.9)	(1.2)	(1.2)
TOTAL	(102.5)	(23.4)	(23.4)

Lapse (-10%)	**CSM**	**P&L**	**Equity**
Endowment (products with interest guarantee on future premiums)	0.3	(2.6)	(2.6)
Insurance (products with mainly mortality risk)	6.3	-	-
Investment Long (long-term saving products without interest guarantee on future premiums)	8.3	1.0	1.0
Investment Short (short-term saving products without interest guarantee on future premiums)	4.7	2.9	2.9
TOTAL	19.6	1.3	1.3

Mortality (+15%)	**CSM**	**P&L**	**Equity**
Endowment (products with interest guarantee on future premiums)	1.8	0.0	0.0
Insurance (products with mainly mortality risk)	(44.9)	-	-
Investment Long (long-term saving products without interest guarantee on future premiums)	(3.2)	(0.6)	(0.6)
Investment Short (short-term saving products without interest guarantee on future premiums)	(0.7)	(0.7)	(0.7)
TOTAL	(47.1)	(1.3)	(1.3)

The sensitivities illustrate that the shock on the expenses mainly impacts the products with longer durations. A decrease of 10% in the expected lapses has a positive impact on the CSM of all products. This indicates that the future premiums on these products would generate additional profits. The shock on the mortality tables has a significant impact for the insurance portfolio, as this portfolio contains products which mainly have mortality risks.

Contracts accounted for under the PAA:

	Impact on income before taxes			
(In millions of EUR)	31/12/23		31/12/24	
	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Gross of reinsurance
An increase of 10% in administrative expenses	(11.3)		(12.5)	
An increase of 5% in claims made	(20.1)	(19.7)	(21.2)	(20.3)

B. Market risks

The table below details the impact (after tax) of changes in key market risk assumptions (interest rates, spread and equity risk) applied to financial assets and liabilities, on the statement of income or other comprehensive income at the reporting date. The impact of changes in key market risk assumptions on financial assets measured at fair value through profit or loss is considered immaterial for the purpose of this sensitivity analysis.

Changes in financial market variables	**31/12/23**	
Shock (in millions of EUR)	Impact statement of income	Impact other comprehensive income
Impact on financial assets		
+50 bps increase in interest rates	-	(289.0)
-50 bps decrease in interest rates	-	289.0
+50 bps increase in credit spread	-	(291.0)
- 30 % equities	-	(255.0)
Impact on insurance contract liabilities		
+50 bps increase in interest rates	-	308.0
-50 bps decrease in interest rates	-	(297.0)
+50 bps increase in spread	-	158.0

Changes in financial market variables	**31/12/24**	
Shock (in millions of EUR)	Impact statement of income	Impact other comprehensive income
Impact on financial assets		
+50 bps increase in interest rates	-	(319.6)
-50 bps decrease in interest rates	-	319.6
+50 bps increase in credit spread	-	(221.0)
- 30 % equities	-	(257.7)
Impact on insurance contract liabilities		
+50 bps increase in interest rates	-	280.5
-50 bps decrease in interest rates	-	(284.9)
+50 bps increase in spread	-	158.2

4. Development of claims

The claims triangle is the usual method for expressing the settlement of non-life claims stretched out over a number of years. Inter alia it enables actuaries to assess the appropriateness of the non-life technical provisions. Claims are grouped by nature and timing. For every accident year, Belfius assesses the amount on total cost of the grouped claims. Belfius establishes a reserve that equals the estimated amount of future payments for the claims.

Given the reserve is an estimate, there is a risk that the amount effectively paid is different (higher or lower). To assess that risk, it is necessary to study the variation of two amounts:

- the total of payments made prior to that date;
- the reserve established on that date for future payments.

The sum of these two components is called the total incurred claims cost.

The table below shows the evolution for Belfius Insurance since the introduction of IFRS 17 of the sum at the end of each year, of the total incurred claims cost per year of occurrence.

Claims development (excluding reinsurance and internal costs)

(In millions of EUR)	Year of occurrence										
Year of settlement	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Estimation at the end of the year of occurrence									267.4	374.8	418.2
1 year later								237.9	279.0	386.9	
2 years later							158.4	229.3	277.1		
3 years later						187.0	152.5	223.5			
4 years later					190.7	187.7	157.4				
5 years later				181.7	190.5	188.4					
6 years later			156.2	184.3	191.1						
7 years later		145.4	159.0	184.5							
8 years later	132.1	148.9	156.7								
9 years later	134.0	148.7									
10 years later	132.7										

(In millions of EUR)											
Actual estimation	132.7	148.7	156.7	184.5	191.1	188.4	157.4	223.5	277.1	386.9	418.2
Cumulative payments	111.2	118.8	123.1	132.8	139.1	147.0	112.1	144.8	195.6	294.0	225.4
Actual provisions	21.5	29.9	33.6	51.7	52.0	41.4	45.3	78.7	81.5	92.9	192.9

(In millions of EUR)	
Provisions (after 2012)	721.3
Provisions (before 2012)	211.8
Internal costs	47.7
Risk adjustment	36.6
Accepted deals	13.3
TOTAL	1030.6

5. Credit risk

Maximum exposure to credit risk for insurance contracts issued and reinsurance contracts held

The table below sets out the carrying amounts of insurance and reinsurance contracts expected to be recovered after the reporting date.

Maximum exposure to credit risk (in thousands of EUR)	31/12/2023	31/12/2024
Insurance contracts	225,592	240,144
Reinsurance contracts	68,900	68,519

The following table shows a classification of reinsurance contracts assets per credit rating grade:

Credit ratings (in thousands of EUR)	31/12/2023	31/12/2024
AAA to AA-	47,779.5	47,956.7
A- to BBB-	43,114.2	42,294.5
Non investment grade	42.0	-3.9
Unrated	6,870.4	7,269.7
TOTAL	97,806.0	97,517.0

6. Liquidity risk

A. Management of liquidity risk

We refer to the chapter "Risk management" of the management report for further information, section Liquidity risk at Belfius Insurance.

B. Maturity analysis

The table below provides a maturity analysis for the liability of remaining coverage of Belfius' insurance contracts measured under the general measurement model. The analysis is based on the dates on which the cash flows are expected to occur.

(in thousands of EUR)	31/12/2023						
	≤ 1 year	> 1 year and ≤ 2 years	> 2 years and ≤ 3 years	> 3 years and ≤ 4 years	> 4 years and ≤ 5 years	> 5 years	TOTAL
LRC GMM	593,813	455,123	474,494	448,367	393,764	6,875,996	9,241,556

(in thousands of EUR)	31/12/2024						
	≤ 1 year	> 1 year and ≤ 2 years	> 2 years and ≤ 3 years	> 3 years and ≤ 4 years	> 4 years and ≤ 5 years	> 5 years	TOTAL
LRC GMM	570,387	522,991	476,689	436,736	386,304	7,118,765	9,511,871

X. Notes on the significant changes in scope of consolidation and list of subsidiaries and affiliated enterprises of Belfius

10.1. Significant changes in scope of consolidation

(Only those changes that have a material impact (i.e. an impact of more than 1% of balance sheet total and/or P&L) have been reported).

1. As at 31 December 2023

Belfius Insurance and a.s.r. (one of the largest Dutch insurers) have founded Fixxer, with a goal to internationally develop the "repair in kind" activity of Jaimy (a subsidiary of Belfius Insurance). The new company Fixxer includes the technology platform of Jaimy after a demerger of Jaimy that took place in April 2023. Belfius Insurance has a share of 50.16% in Fixxer, and a.s.r. owns the remaining 49.84%. The investment of Belfius Insurance in Fixxer amounts to EUR 1.5 million. Fixxer is consolidated using the equity method as joint control is exercised.

Corona and Belfius Insurance merged on 1 July 2023. The entire insurance portfolio of Corona was transferred to Belfius Insurance, which took over all rights and obligations arising from these insurance contracts. The merger has been approved by the National Bank of Belgium and was applied retroactively (for tax and accounting purposes) as from 1 January 2023. Corona continues its operations from 1 July 2023 under the new commercial name Belfius Direct Verzekeringen / Belfius Direct Assurances.

Belfius Insurance decided to liquidate the subsidiary Jane in December 2023. Jane was commercially launched at the end of 2019 and provided a sensor enabled monitoring solution combined with an artificial intelligence algorithm learning the habits of the elderly person, thus allowing the elderly to stay longer in their own homes.

2. As at 31 December 2024

Belfius Insurance acquired a 100% stake in the real estate company Renouv O (investing in an office building in Belgium) in January 2024 for a total amount of EUR 15 million.

In August 2024, Jaimy, a subsidiary of Belfius Insurance, acquired Ajusto from ENGIE. Ajusto owns a digital platform that offers similar services as Jaimy. With this transaction, Jaimy further consolidates its presence on the home repair and renovation market. The company is consolidated using the simplified consolidation method in 2024.

In August 2024, Belfius Bank sold its minority interest (47.45%) in the capital of Cyclis Bike Lease (that was consolidated using the equity method). The collaboration between Belfius and Cyclis Bike Lease will continue for bike leasing.

Belfius Bank acquired a 100% stake in the real estate company Phormio in November 2024.

In December 2024, Belfius Part, a company consolidated using the simplified consolidation method, was liquidated.

In the course of 2024, Belfius liquidated DSFB, a special purpose vehicle for securitization, and Wood Gardens, a real estate company.

10.2. Acquisitions and disposals of consolidated companies

1. Main acquisitions

A. Year 2023

As at 31 December 2023 there are no significant acquisitions.

B. Year 2024

Belfius Insurance acquired a 100% stake in the real estate company Renouv O (investing in an office building in Belgium) in January 2024 for a total amount of EUR 15 million.

Belfius Bank acquired a 100% stake in the real estate company Phormio in November 2024.

The assets and liabilities acquired were as follows:

	2024	
(in thousands of EUR)	Renouv o	Phormio
Loans and advances due from credit institutions	0	97
Loans and advances	7	0
Tangible fixed assets	28,504	8,238
Tax assets	0	2,767
Other assets	84	2
Borrowings and deposits	(17,736)	(15,280)
Other liabilities	(3,544)	(3)
NET ASSETS	7,315	(4,179)
Group share	7,315	(4,179)
Already in possession of the Group	0	0
Purchase price (in cash)	14,854	7,804
Less: cost of the transaction	0	0
Less: cash and cash equivalents in the subsidiary acquired	0	(0)
NET CASH OUTFLOW THROUGH ACQUISITION	14,854	7,803

2. Main disposals

A. Year 2023

Belfius Insurance and A.S.R. (one of the largest Dutch insurers) have founded Fixxer to internationally develop the “repair in kind” activity of Jaimy. This new company includes the technology platform of Jaimy after a demerger of Jaimy that took place in April 2023. Belfius Insurance has a share of 50.16% in Fixxer. Fixxer is consolidated using the equity method as joint control is exercised. The remaining 49.84% stake held by A.S.R. is considered as a disposal, on which Belfius Insurance realised a capital gain of EUR 4 million.

The assets and liabilities disposed were as follows:

	2023
(in thousands of EUR)	Fixxer
Loans and advances due from credit institutions	0
Investments in equity method companies	2,113
Tangible fixed assets	0
Tax assets	0
Tax liabilities	0
Other liabilities	0
NET ASSETS	2,113
Group share	2,113
Proceeds from sale (in cash)	4,250
Less: cost of the transaction	0
Less: Cash and cash equivalents in the subsidiary sold	0
NET CASH INFLOW ON SALE	4,250

B. Year 2024

In August 2024, Belfius Bank sold its minority interest (47.45%) in the capital of Cyclis Bike Lease.

The assets and liabilities disposed were as follows:

(in thousands of EUR)	2024 Cyclis Bike Lease
Investments in equity method companies	8,969
NET ASSETS	8,969
Group share	8,969
Proceeds from sale (in cash)	37,720
Less: cost of the transaction	0
Less: Cash and cash equivalents in the subsidiary sold	0
NET CASH INFLOW ON SALE	37,720

3. Assets and liabilities included in disposal groups held for sale and discontinued operations

A. Year 2023

As at 31 December 2023 no subsidiaries were recorded as “Non current assets (disposal group) held for sale and discontinued operations”.

B. Year 2024

As at 31 December 2024 no subsidiaries were recorded as “Non current assets (disposal group) held for sale and discontinued operations”.

10.3. Subsidiaries, equity-accounted enterprises, affiliated enterprises and enterprises in which the group holds rights representing at least 20% of the issued capital

1. Fully-consolidated subsidiaries

Name	Head Office	% of capital held[1]	Business code
Ajusto SRL[2]	Place Charles Rogier 11 B-1210 Bruxelles	100	47
Belfius Asset Finance Holding SA	Place Charles Rogier 11 B-1210 Bruxelles	100	10
Belfius Asset Management SA	Place Charles Rogier 11 B-1210 Bruxelles	100	19
Belfius Auto Lease SA	Place Charles Rogier 11 B-1210 Bruxelles	100	5
Belfius Commercial Finance SA	Place Charles Rogier 11 B-1210 Bruxelles	100	15
Belfius Euro Loans FPS	Place Charles Rogier 11 B-1210 Bruxelles	99.99	10
Belfius Fiduciaire SA[2]	Place Charles Rogier 11 B-1210 Bruxelles	100	23
Belfius Financing Company SA	Rue de l'Industrie 20 L-8399 Windhof	100	49
Belfius Immo SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Belfius Insurance SA	Place Charles Rogier 11 B-1210 Bruxelles	100	28
Belfius Insurance Services Finance SA	Rue de l'Industrie 20 L-8399 Windhof	100	21

Belfius Ireland UC	23 Shelbourne Road Ballsbridge Dublin 4 IE 4886676 P	100	49
Belfius Lease SA	Place Charles Rogier 11 B-1210 Bruxelles	100	5
Belfius Lease Services SA	Place Charles Rogier 11 B-1210 Bruxelles	100	5
Capline SA	Place Charles Rogier 11 B-1210 Bruxelles	74.99	10
Caring people SA	Place Charles Rogier 11 B-1210 Bruxelles	100	30
CenEnergy SA(2)	Boomsesteenweg 12/unit 8 B-2630 Aartselaar	75	41
Coquelets SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Crefius SA	Place Charles Rogier 11 B-1210 Bruxelles	100	6
Elantis SA	Rue des Clarisses 38 B-4000 Liège	100	6
Fynergie SA(2)	Place Charles Rogier 11 B-1210 Bruxelles	100	32
Immo Activity SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Immo Malvoz SRL	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Immo Saint-Michel SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Immo Tumulis SRL(2)	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Immo Trèfles SRL	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Immo Zeedrift SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Interfinance SCRL	Place Charles Rogier 11 B-1210 Bruxelles	74.99	10
Jaimy SA	Place Charles Rogier 11 B-1210 Bruxelles	100	47
Legros Renier - Les Amarantes Seigneurie de Loverval SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
LFB SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
MC² Development SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Mercurius Funding SA	Place Charles Rogier 11 B-1210 Bruxelles	5	49
Offico Immo SRL	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Philadelphus SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Phormio SA	Place Charles Rogier 11 B-1210 Bruxelles	100	31
Qualitass SA(2)	Vilvoordsesteenweg 166 B-1850 Grimbergen	100	30
Renouv'o SRL	Place Charles Rogier 11 B-1210 Bruxelles	100	31

Service Communal de Belgique SCI[2]	Avenue Louise 106 B-1050 Ixelles	63.59	47
VDL - Interass SA[2]	Esplanade Oscar Van de Voorde 1 B-9000 Gent	100	30

(1) Percentage of capital held by holding company.
(2) Participations consolidated by applying a simplified consolidation method. Note that these participations are presented and accounted for in het line "VIII Investments in equity method companies"

There are no significant restrictions on the subsidiaries, on their ability to access or use assets, and settle liabilities, of the group.

2. Non-consolidated subsidiaries

Nihil.

3. Associated companies accounted for by the equity method

Name	Head Office	% of capital held[1]	Business code
1App SRL[2]	Rue Bois-Eloi 34 B-1380 Lasne	30	62
Assurcard SA[2]	Nieuwlandlaan 111 Box 103 B-3200 Aarschot	20	34
Bancontact Payconiq Company SA	Rue d'Arlon 82 B-1040 Bruxelles	22.5	48
Batopin SA	Boulevard Saint-Lazare 10 B-1210 Bruxelles	25	21
Bedrijvencentrum Regio Mechelen SA[2]	De Regenboog 11 B-2800 Mechelen	24.33	41
Beekcant BV[2]	Fabrieksweg 13 B-3190 Boortmeerbeek	30	31
Belmo Real Estate SA[2]	Rue des Anglais 6A B-4430 Ans	50	31
Belwing SA[2]	Avenue Maurice-Destenay 13 B-4000 Liège	20	10
BF3 Belgium[2]	Rue de Bassano 27-29 F-75008 Paris	33.33	10
BIB Projects SA[2]	Vredestraat 53 B-8790 Waregem	57.5	31
Bizimmo SA[2]	Boulevard du Souverain 68 boîte 9 B-1170 Watermael-Boitsfort	50	31
BridgeCity Development BV[2]	Borsbeeksebrug 22 B-2600 Berchem	50	32
Buildingnest SA[2]	Boulevard du Souverain 25 boîte 9 B-1170 Watermael-Boitsfort	50	31
Canius I SA[2]	Koninklijke Laan 74 B-2600 Antwerpen	24.71	16
Creationimmo SA[2]	Rue Craesborn(WAR) 35 B-4608 Dalhem	50	31
De Haan Vakantiehuizen SA	Boulevard de la Woluwe 46 B-1200 Woluwe-Saint-Lambert	25	31
Edegem Development BV[2]	Nieuwewandeling 62 B-9000 Gent	50	31
Edegem Land BV[2]	Nieuwewandeling 62 B-9000 Gent	50	31
EPC SCRL (Economie Populaire de Ciney)	Rue Edouard Dinot 32 B-5590 Ciney	61.37	33
Erasmus Gardens SA	Avenue Edmond van Nieuwenhuyse 30 B-1160 Bruxelles	50	31

Fairville SA	Steenweg Deinze 154 B-9810 Nazareth	33.33	34
Fixxer SA	Place Charles Rogier 11 B-1210 Bruxelles	50.16	47
Frunpark Parndorf GmbH(2)	Rathen 20 A-4081 Hartkirchen	25	32
Grensstraat SA(2)	Fabrieksweg 13 B-3190 Boortmeerbeek	50	31
Groene Poort Dreef SA(2)	Westlaan 120 B-8800 Roeselare	50	31
Hamsterhuren-Location Ecureuil II SA(2)	Koninklijkelaan 74 B-2600 Antwerpen	42.86	16
IDE Lux Finances SCRL(2)	Drève de l'Arc-en-Ciel 98 B-6700 Arlon	36.87	16
Immovlan SPRL	Rue de la Fusée 50 B-1130 Bruxelles	30	32
Inforum G.I.E.(2)	Rue Royale 168 B-1000 Bruxelles	50	41
Isabel SA	Boulevard de l'Impératrice 13-15 B-1000 Bruxelles	24	39
Justinvest SA(2)	Borsbeeksebrug 22 B-2600 Antwerpen	33.33	32
Komet Development BV(2)	Nieuwewandeling 62 B-9000 Gent	50	31
Komet Land BV(2)	Nieuwewandeling 62 B-9000 Gent	50	31
Kuborn Real Estate SA(2)	Avenue Louise 523 B-1050 Bruxelles	20	32
LCBIM SA(2)	Rue Craesborn(WAR) 35 B-4608 Dalhem	50	31
Leffinge Land NV(2)	Den Triangel 2 B-8610 Kortemark	50	31
LIVe SA (Land Investment Vehicle)	Avenue Brugman 27 A B-1060 Bruxelles	25	31
NEB Foncière SA(2)	Boulevard Piercot 46 B-4000 Liège	20.49	31
Nieuw Leffinge NV(2)	Den Triangel 2 B-8610 Kortemark	50	31
Rabot Invest SA(2)	Borsbeeksebrug 22 bus 7 B-2600 Antwerpen	25	32
R.E.D. Laboratories SA(2)	Z1. Researchpark 100 B-1731 Zellik	22.2	33
Société Mixte de Développement Immobilier SA(2)	Avenue Maurice Destenay 13 B-4000 Liège	25.04	32
SKIPR SA	Cantersteen 12 B-1000 Bruxelles	27.2	34
Syneco Agence Conseil en économie sociale ASBL(2)	rue des Glaces Nationales 144 B-5060 Sambreville	20	47
TDP NV(2)	Karel Oomsstraat 37 B-2018 Antwerpen	50	47
Tervuren Square SA(2)	Avenue Edmond van Nieuwenhuysen 30 1160 Auderghem	25	31
The Birdhouse CVBA(2)	Hessenstraatje, 25 Box 1.2 B-2000 Antwerpen	22.56	47
Trias Bel Souverain SA(2)	Herkenrodesingel 4B B-3500 Hasselt	50	13

Vicinity Affordable Housing Fund Scomm	Rue du Gruyer 50 B-1170 Watermael-Boitsfort	22.6	12
Wandelaar Invest SA[(2)]	Rue du Vieux Marché aux Grains 63 B-1000 Bruxelles	25	5

(1) Percentage of capital held by holding company.
(2) Participations consolidated by applying a simplified consolidation method. Note that these participations are presented and accounted for in het line "VIII Investments in equity method companies"

4. Associated companies not accounted for by the equity method

Name	Head Office	% of capital held[(1)]	Reason for exclusion	Business code
Batopar	Boulevard Saint-Lazare 10 B-1210 Saint-Josse-ten-Noode	25	non-significant	21

(1) Percentage of capital held by holding company.

5. Belfius Bank Branches (not consolidated)

As a result of the amended company legislation, the legal form of the Belfius branches has been converted from Cooperative Society (CVBA/SCRL) to Limited Liability Company (Commanditaire Vennootschap (CommV)/Société en commandite (SComm)) as from 2020. At the same time, the name Belfius was removed from the corporate name of each agent listed here. Belfius Bank presents the commissions paid to the agents separately in the line XV "Network Costs".

Name	Head Office	% of capital held[1]	Business code
Agent de banque et d'assurances Auderghem-Boitsfort SComm	Boulevard du Souverain 282 B-1160 Auderghem	30.52	4
Agent de banque et d'assurances Basse Meuse et Bocage SComm	Rue Saint Hadelin 1 B-4600 Visé	26	4
Agent de banque et d'assurances Brussels City Center SComm	Place Stéphanie 8 B-1050 Bruxelles	25.24	4
Agent de banque et d'assurances Brussels East SComm	Rue des Champs 6 B-1040 Bruxelles	23.29	4
Agent de banque et d'assurances Brussels North SComm	Boulevard de Smet de Naeyer 2a B-1090 Bruxelles	26	4
Agent de banque et d'assurances Charleroi Métropole SComm	Avenue Paul Pastur 114 B-6032 Charleroi	26	4
Agent de banque et d'assurances Coeur du Hainaut SComm	Rue Albert 1er 23 B-7100 La Louvière	25.83	4
Agent de banque et d'assurances Condroz-Famenne SComm	Rue Saint-Eloi 1 B-5590 Ciney	24.69	4
Agent de banque et d'assurances Liège Ardenne Condroz SComm	Voie de l'Ardenne 132 B-4053 Chaudfontaine	26	4
Agent de banque et d'assurances Liège Cité Ardente SComm	Chaussée du Roi Albert, 50 B-4431 Liège	25.58	4
Agent de banque et d'assurances Namur Capitale SComm	Rue de Marchovelette 1 B-5030 Gembloux	25.83	4
Agent de banque et d'assurance Namur Hainaut Sud Scomm	Route de Florennes 27 B-5640 Mettet	24.22	4
Agent de banque et d'assurances Nivelles-Tubize SComm	Rue de Nivelles 30 B-1480 Tubize	25.41	4
Agent de banque et d'assurances Hainaut Capitale SComm	Avenue Jean d'Avesnes 9 B-7000 Mons	26	4
Agent de banque et d'assurances Région Meuse-Hesbaye SComm	Avenue du Bosquet 41 B-4500 Huy	24.84	4
Agent de banque et d'assurances Sille & Dendre SComm	Pavé de Soignies 31 B-7850 Enghien	26	4
Agent de banque et d'assurances Grand Sud SComm	Rue d'Alba 1 B-6700 Arlon	25.7	4
Agent de banque et d'assurances Wallonie-Picarde SComm	Rue Royale 105/107/109 B-7500 Tournai	26	4
Agent de banque et d'assurances Hainaut Sud-Ouest SComm	Rue des Canadiens 11 B-7350 Thulin	26	4
Agent de banque et d'assurances Vallée de la Dyle SComm	Place Alphonse Bosch 15 B-1300 Wavre	24.22	4
Agent de banque et d'assurances Waterloo SComm	Chaussée de Bruxelles 306 B-1410 Waterloo	25.16	4
Bank- en verzekeringsagent Antwerpen Zuid CommV	Grote Steenweg 456 B-2600 Berchem	28.08	4
Bank- en verzekeringsagent Centrum - West CommV	Hendrik Consciencestraat 23 bus 6 B-8800 Roeselare	26	4
Bank- en verzekeringsagent Waasland Noord Commv	Marktplein 3 B-9220 Hamme (O.-VL.)	26	4
Bank- en verzekeringsagent Hageland Noord CommV	Bogaardenstraat 26 B-3200 Aarschot	26	4
Bank- en verzekeringsagent Kempen Noord CommV	Bredabaan (Gooreind) 423 B-2990 Wuustwezel	26	4
Bank- en verzekeringsagent Kempen Oost CommV	Hertog Janplein 45 B-3920 Lommel	25.63	4
Bank- en verzekeringsagent Kortrijk - Menen - Ieper CommV	Wijngaardstraat 52 B-8500 Kortrijk	26	4
Bank- en verzekeringsagent Leuven CommV	Brusselsestraat 2 B-3000 Leuven	26	4
Bank- en verzekeringsagent Midden Limburg CommV	Dorpsstraat 1A B-3530 Houthalen-Helchteren	26	4
Bank- en verzekeringsagent Netevallei CommV	Grote Markt 13 B-2500 Lier	28.65	4
Bank- en verzekeringsagent Noord-Brabant CommV	Kattestraat 2 B-1730 Asse	25.16	4
Bank- en verzekeringsagent Regio Aalst CommV	Stationsstraat 4 B-9300 Aalst	26	4

Bank- en verzekeringsagent Regio Dender Schelde CommV	Kerkstraat 64-66 B-9200 Dendermonde	27.31	4
Bank- en verzekeringsagent Regio Zuid-Oost Vlaanderen CommV	Marktplein 36 B-9520 Sint-Lievens-Houtem	27.31	4
Bank- en verzekeringsagent Regio Gent CommV	Zonnestraat 23-25 B-9000 Gent	28.65	4
Bank- en verzekeringsagent Regio Hasselt CommV	Havermarkt 36-38 B-3500 Hasselt	25.83	4
Bank- en verzekeringsagent Regio Leie-Schipdonk CommV	Volhardingslaan 72 (bus 1) B-9800 Deinze	26	4
Bank- en verzekeringsagent Rivierenland Commv	Grote Markt 31 B-2800 Mechelen	26	4
Bank- en verzekeringsagent Regio Mortsel Kontich CommV	Mechelsesteenweg 56 B-2640 Mortsel	26	4
Bank- en verzekeringsagent Oost Limburg CommV	Fruitmarkt 7 B-3600 Genk	26	4
Bank- en verzekeringsagent Regio Brugge Oostende-Knokke CommV	Lippenslaan 74 B-8300 Knokke-Heist	26	4
Bank- en verzekeringsagent Regio Turnhout-Hoogstraten CommV	Vrijheid 109 B-2320 Hoogstraten	25.49	4
Bank- en verzekeringsagent Tienen - Sint-Truiden CommV	Clockemstraat 38 B-3800 Sint-Truiden	29.66	4
Bank- en verzekeringsagent Vilvoorde-Tervuren CommV	Portaelsplein 68 B-1800 Vilvoorde	26	4
Bank- en verzekeringsagent Waregem-Vlaamse Ardennen CommV	Nederstraat 17 B-9700 Oudenaarde	26	4
Bank- en verzekeringsagent Westkust CommV	Kerkstraat 58 B-8430 Middelkerke	26	4
Agent de banque et d'assurances Forêt de Soignes SComm	Avenue Brugmann 247 B-1180 Bruxelles	26	4
Bank- en verzekeringsagent Zottegem-Zuidrand Gent CommV	Heldenlaan 22 B-9620 Zottegem	29.66	4
Bank- en verzekeringsagent Zuid-Brabant CommV	Pastorijstraat 17 B-1600 Sint-Pieters-Leeuw	26	4

(1) Percentage of capital held by holding company.

Business code	
1. Bank, credit institution	26. Non-life insurance
2. Private savings bank	27. Captive reinsurance
3. Government credit institution	28. General insurance
4. Banking agency	29. Financial product agency and broking
5. Leasing	30. Insurance agency and broking
6. Home loans	31. Real estate (proprietary portfolio)
7. Development capital	32. Real estate agency (third party)
8. Consumer credits	33. Health and welfare
9. Other lending activities	34. Computer business/Information Technology
10. Investment company	35. Banking associations
11. Stock broking	36. Other associations
12. Variable capital investment company	37. Sewage, road cleaning and maintenance and waste management
13. Mutual funds	38. Recreation
14. Fund manager	39. Telecommunications
15. Factoring	40. Transportation
16. Infrastructure and construction financing	41. Other services
17. Other specific financing	42. Energy
18. Financial market administration	43. Economic development
19. Asset and portfolio management, financial advisory services	44. Water
20. Financial engineering, consultancy, financial research	45. Book publishing and multimedia
21. Other professional services in financial sector	46. Research and development
22. Guarantee company	47. Other service activities
23. Trust company	48. Production, management, distribution of computerised payment media
24. Foreign currency exchange	49. Financing
25. Life insurance	50. Merchant banking

10.4. Involvement with unconsolidated structured entities

1. The nature, purpose, and activities of a structured entity

Belfius' involvement with unconsolidated structured entities is mainly from an investor's perspective. The purpose is to generate a stable interest margin from these investments.

Belfius has the following types of exposures to unconsolidated structured entities in its portfolio (mainly stemming from the former Side portfolio):

- Mortgage backed securities (MBS): these structured entities invest in residential and/or commercial mortgage loans which are financed through the issue of notes. Belfius has invested in the most senior tranches.

- Asset Backed Securities (ABS): these entities invest in loans, debt securities, leases and/or receivables which are financed through the issue of notes. Belfius has invested in the most senior tranches.

- Multi issuer covered bonds: these structured entities are set up by several banks, each participating for a certain percentage in the covered pool.

- Derivatives: Belfius has some derivatives with unconsolidated structured entities such as Credit Default Swaps, Total Return Swaps and Interest Rate Swaps.

Refer to note 12. "Securitisation".

2. Amounts concerned

(in thousands of EUR)	2023 Carrying amount	2023 Maximum credit risk exposure
FINANCIAL ASSETS	**552,706**	**758,200**
Financial assets held for trading	401,902	607,395
Non-trading financial assets mandatorily at fair value through profit or loss	19,254	19,254
Financial assets designated at fair value through profit or loss	0	0
Financial assets at fair value through other comprehensive income	131,551	131,551
Financial assets at amortised cost	0	0
Derivatives – Hedge accounting	0	0
FINANCIAL LIABILITIES	**55,603**	**14,437**
Financial liabilities held for trading	55,603	14,437
Financial liabilities measured at fair value through profit or loss	0	0
Financial liabilities at amortised cost	0	0
Derivatives hedge accounting	0	0
OFF-BALANCE SHEET ITEMS – GIVEN	**0**	**0**
Loan commitments – given	0	0
Financial guarantees – given	0	0

(in thousands of EUR)	2024 Carrying amount	2024 Maximum credit risk exposure
FINANCIAL ASSETS	**690,370**	**838,763**
Financial assets held for trading	401,066	613,779
Non-trading financial assets mandatorily at fair value through profit or loss	19,800	19,800
Financial assets designated at fair value through profit or loss	0	0
Financial assets at fair value through other comprehensive income	137,440	137,440
Financial assets at amortised cost	132,064	67,744
Derivatives – Hedge accounting	0	0
FINANCIAL LIABILITIES	**108,108**	**10,238**
Financial liabilities held for trading	33,283	10,238
Financial liabilities measured at fair value through profit or loss	0	0
Financial liabilities at amortised cost	74,826	0
Derivatives hedge accounting	0	0
OFF-BALANCE SHEET ITEMS – GIVEN	**0**	**0**
Loan commitments – given	0	0
Financial guarantees – given	0	0

XI. Related parties transactions

The standard IAS 24 “Related Parties Disclosures” provides a partial exemption from the disclosure requirements for government related entities. Consequently these government related entities are not included in the table “Related parties transactions”. The exposure of Belfius on for instance Belgian Government bonds can be found in the chapter risk management of the management report.

1. Related parties transactions

	Directors and key management personnel[1]		Subsidiaries'[2]	
(in thousands of EUR)	31/12/23	31/12/24	31/12/23	31/12/24
Loans[3]	4,440	4,507	5,864	4,996
of which impaired loans stage 3	0	0	0	0
Interest income	68	84	280	347
Deposits and debt securities[3]	14,269	14,938	9,264	4,888
Interest expense	(60)	(104)	(33)	(54)
Net commission	0	0	289	246
Guarantees issued and commitments provided by the Group[4]	0	0	217	1,212
Guarantees and commitments received by the Group	7,605	7,282	3,035	2,723

	Associates		Joint ventures in which the entity is a venturer	
(in thousands of EUR)	31/12/23	31/12/24	31/12/23	31/12/24
Loans[3]	294,130	263,527	21,199	41,239
of which impaired loans stage 3	0	0	0	0
Interest income	9,925	12,697	949	1,851
Deposits and debt securities[3]	81,483	466,548	5,024	5,281
Interest expense	(635)	(1,604)	(82)	(73)
Net commission	(3,649)	(18,500)	315	284
Guarantees issued and commitments provided by the Group[4]	403,114	387,742	48,640	71,813
Guarantees and commitments received by the Group	138,050	162,371	4,583	4,720

(1) Key management includes the Board of Directors and the Managing Board, as well as these persons' children and spouses or domestic partners and children of these persons' spouses or domestic partners.
(2) The amounts reported relate to transactions with subsidiaries that are not consolidated due to immateriality.
(3) Transactions with related parties are concluded at general market conditions.
(4) Unused lines granted.

2. Key management compensations[1]

(in thousands of EUR)	31/12/23	31/12/24
Short-term benefits[2]	5,403	6,408
Post-employment benefits	0	1,320
Other long-term benefits	919	1,076
Termination benefits	0	0
Employee benefit expense	0	0

(1) Key management includes the Board of Directors and the Management Board.
(2) Short-term benefits include the salaries, bonuses and other advantages.

XII. Securitisation

Belfius currently has one traditional securitisation vehicle: Mercurius Funding NV/SA, a Belgian securitisation vehicle with the purpose of securitising SME loans. Mercurius Funding has one active compartment Mercurius Master Issuer, which has issued EUR 5.76 billion senior Class A Notes, EUR 2.24 billion subordinated Class B Notes and EUR 80 million subordinated Class C Notes. On 31 December 2024, EUR 7.89 billion were still outstanding. The Mercurius Notes are held by Belfius Bank.

According to the definition of control under IFRS 10, Mercurius Funding is included in the consolidated financial statements. Belfius has:

- full power over its securitisation vehicles;
- exposure to their variable returns; and
- the ability to use its power to affect the amount of the returns.

Over the course of 2024 the securitisation vehicle DSFB NV/SA was liquidated. DSFB was a Belgian securitisation vehicle (société d’investissement en créances (SIC) under Belgian Law), created in 2007. Its last outstanding transaction, DSFB-2, was called in January 2024. DSFB-2 was a securitisation transaction of loans granted to or guaranteed by Belgian public sector entities.

Statutory auditor's report to the general meeting of Belfius Bank NV/SA on the consolidated financial statements as of and for the year ended 31 December 2024

In the context of the statutory audit of the consolidated financial statements of Belfius Bank NV/SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements and the other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 26 April 2023, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2025. We have performed the statutory audit of the consolidated financial statements of the Group for 5 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2024, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policies and other explanatory information. The total of the consolidated balance sheet amounts to EUR ('000) 187.457.435 and the consolidated statement of income shows a profit for the year of EUR ('000) 1.128.992.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairments on loans and advances and debt securities

We refer to headings III.A "Loans and advances measured at amortised cost" and IV.A "Debt securities measured at amortised cost" of the consolidated balance sheet in the consolidated financial statements and to notes n° 5.4 "Loans and advances", n° 5.5 "Debt securities & Equity instruments" and 9.2 "Credit risk exposure" in which the impairment losses are disclosed.

Description

As at 31 December 2024, the Group has EUR ('000) 114.973.285 of loans and advances measured at amortised cost and EUR ('000) 14.401.792 of debt securities measured at amortised cost, representing 69% of total assets.

The measurement of the expected credit losses and the determination of the stage allocation contain subjective elements and require significant judgement from Management, such as the selection of macro-economic scenarios used in the determination of expected credit losses, the evaluation of deteriorating credit quality (including deterioration due to the impact of the risks related to energy price evolutions, inflation and the Russia/Ukraine conflict), and the application of models for the determination of expected credit losses.

Given the significance of impairments on loans and advances and debt securities, and the related high degree of estimation uncertainty, we consider the determination and measurement of impairments on loans and advances and debt securities as a key audit matter.

Our audit procedures

With the assistance of our IT and Financial Risk Management specialists, we performed the following procedures:

- Evaluation of the design, implementation and operating effectiveness of key controls around the expected credit loss process.
- Performance of risk assessment procedures on the loan portfolio (sector focus, risk rating migration analysis).
- Inspection of the minutes of the relevant committees and rationale for conclusions made therein, as input to our risk analysis and support our selection and extent of audit procedures.
- Evaluation if key models are delivering a reliable output based on the assessment of the model validation process, including the assessment of the Macro-Economic Factors ("MEF") and the weights associated to the different economic scenarios.
- Evaluation of the reliability of significant inputs to the models such as loans and advances or debt securities data as well as collateral used to determine the collective impairment. For a sample of loans and advances and debt securities, comparison of data used in the models with underlying documentation such as contracts and other relevant documents.
- Evaluation of the reasonableness of the manual adjustments to the model-based expected credit loss.
- Inspection of a sample of credit files and debt securities in stage 3 to assess whether the stage classification used in the expected credit loss (including assessment of inputs and assumptions used, such as reasonableness of scenarios, scenario weighting, expected cash flows, collateral values, effective interest rates, etc, including assessment of compliance with IFRS 9) and the level of the latter are reasonable.
- Inspection of a sample of credit files and debt securities in stage 1 and 2 to assess whether the stage classification used in the expected credit loss (including assessment of whether any events of default have occurred) is reasonable.
- Evaluation of the appropriateness of Management's rationale and documentation supporting the decision not to record a provision despite the occurrence of impairment triggers and/or indicators.
- The Company has developed new internal credit risk models that are used for the calculation of the regulatory capital requirements. The IFRS 9 expected credit loss provisioning models will also be adapted in the course of 2025. In this context, we have assessed Management's estimate of the impact of these models on the IFRS 9 expected credit losses at 31 December 2024.
- Assessment of the adequacy of the relevant disclosures in the consolidated financial statements.

Fair value measurement of Level 2 and Level 3 financial instruments

We refer to headings III.B "Loans and advances measured at fair value through other comprehensive income", III.C "Loans and advances measured at fair value through profit or loss", IV.B "Debt securities & equity instruments measured at fair value through other comprehensive income", IV.C "Debt securities & equity instruments measured at fair value through profit or loss", V "Derivatives" (assets and liabilities) and IV.B "Debt securities issued and other financial liabilities measured at fair value through profit or loss" of the consolidated balance sheet in the consolidated financial statements and to notes n° 5.4 "Loans and advances", n° 5.5 "Debt securities & Equity instruments", n° 5.6 "Derivatives", n° 6.4 "Debt securities issued and other financial liabilities" and to note n° 9.1 "Fair value" in which the fair value analysis of the financial instruments measured at amortized cost on the balance sheet is disclosed.

Description

As at 31 December 2024, the Group has:

- Loans and advances measured at fair value through other comprehensive income for EUR ('000) 272.176 Level 2 and ('000) 3.860.199 Level 3;
- Loans and advances measured at fair value through profit or loss for EUR ('000) 244 Level 2 and EUR ('000) 484.346 Level 3;
- Debt securities measured at fair value through other comprehensive income for EUR ('000) 216.878 Level 2 and EUR ('000) 828.352 Level 3;
- Debt securities measured at fair value through profit or loss for EUR ('000) 10.595 Level 2 and EUR ('000) 534.914 Level 3;
- Equity instruments measured at fair value through other comprehensive income for EUR ('000) 4.205 Level 2 and EUR ('000) 687.192 Level 3;
- Equity instruments measured at fair value through profit or loss for EUR ('000) 10.994 Level 3;
- Derivatives for EUR ('000) 5.098.689 Level 2 and EUR ('000) 186.454 Level 3 recognized on the asset side and EUR ('000) 6.241.920 Level 2 and EUR ('000) 260.415 Level 3 recognized on the liability side;
- Debt securities issued and other financial liabilities measured at fair value through profit or loss for EUR ('000) 5.350.638 Level 2 and EUR ('000) 3.177.968 Level 3.

The determination of the fair value of Level 2 and 3 financial instruments is based on a range of inputs, which can be obtained from readily observable prices and rates on liquid markets. Where observable market data is not readily available, estimates are developed based on complex valuation models and are subject to a higher level of judgment.

The determination of the fair value of Level 2 and 3 financial instruments, including complex financial instruments, represent a higher exposure to risk of incorrect valuation due to the absence of readily observable market data, the complexity of certain valuation models and the higher level of judgment involved.

Our audit procedures

With the assistance of our Financial Risk Management specialists, we performed the following procedures:

- Obtaining an understanding of the process regarding the valuation of financial instruments.
- Evaluation of the design and implementation of key controls around the valuation of financial instruments, e.g., controls over model development and independent pricing verification.
- Inspection of model validation reports from the independent validation function.
- Inspection of the minutes of the relevant committees and rationale for conclusions made therein for our risk assessment and to support our selection and extent of audit procedures.
- Independent determination of the fair value for the Level 2 and 3 financial instruments on a sample basis.
- Evaluation whether the model provisions, and adjustments to the model provisions, are adequately justified and supported.
- Analysis of the impact on valuation of the decision taken or contemplated by management to further de-risk certain positions.
- Assessment of the adequacy of the relevant disclosures in the consolidated financial statements.

Measurement of the liability for remaining coverage (LRC) Life and Health Individual

We refer to the heading VII.A "Insurance contract liabilities" of the consolidated balance sheet in the consolidated financial statements and to note n° 6.5.3 "Movements in insurance and reinsurance contract balances – GMM".

Description

As at 31 December 2024, the Group has EUR ('000) 10.520.008 of LRC relating to Life insurance contracts, investment contracts with discretionary participation features and Health/Individual insurance contracts, which are accounted for in accordance with IFRS 17 since 1 January 2023 and for which the General Measurement Model ("GMM") applies. This LRC represents a significant component of the Group's balance sheet and are calculated using complex actuarial models and assumptions.

Furthermore, the LRC includes components of certain judgement and estimation by management in determining the value of future cash flows, the determination of the risk adjustment, the contractual service margin (CSM) and the loss component.

The judgements made in the assumptions setting process may have a significant impact on the measurement of the LRC.

Our audit procedures

With the assistance of our actuarial and IT specialists, we have performed the following procedures:

- Assessment of the consistency of the actuarial techniques applied for the LRC and whether the actuarial models are in line with the requirements of IFRS 17, our understanding of the business and our expectations derived from market experience.
- Assessment of the design and implementation and evaluation of the operating effectiveness of key controls relating to the actuarial processes for the determination of the LRC.
- Assessment of the proper application of the identification of onerous contracts and performance of additional procedures on the cohort allocation of insurance contracts as well as on the proper application of subsequent measurement.
- Assessment of the appropriateness of the actuarial techniques used for the calculation of the LRC and the assumptions used.
- Testing the completeness and accuracy of data used in the calculation processes and outputs from key IT systems used for the calculation of the LRC.
- Assessment of the roll-forward analysis of the LRC prepared by Management, including analysis of reconciling items, if any.
- Inspection of the reports issued by the actuarial function and rationale for conclusions made therein as input for our risk assessment.
- Assessment of the adequacy of the relevant disclosures in the consolidated financial statements.

Measurement of the liability for incurred claims (LIC) non-life

We refer to the heading VII.A "Insurance contract liabilities" of the consolidated balance sheet in the consolidated financial statements and to note n° 6.5.2 "Movements in insurance and reinsurance contract balances – PAA".

Description

As at 31 December 2024, the Group has EUR ('000) 1.030.615 of LIC relating to Non-Life contracts.

The measurement of the LIC requires a significant degree of judgement by management regarding assumptions to be made, such as the impact of changing inflation rates, loss developments, risk adjustment for non-financial risks and discount rate.

Our audit procedures

With the assistance of our actuarial and IT specialists, we have performed the following procedures:

- Assessment of the consistency and appropriateness of the actuarial techniques applied for the most important business lines (including the underlying assumptions) and whether the actuarial models are in line with our understanding of the business, and our expectations derived from market experience.
- Assessment of the design and implementation and evaluation of the operating effectiveness of the controls relating to the actuarial processes for the determination of the LIC.
- Assessment of whether the LIC has been determined in accordance with the implemented reserving policies.
- Testing the completeness and accuracy of data used in the calculation processes and output from key IT systems used for the calculation of the LIC.

- Independent calculation of the LIC for the major business lines based on commonly used actuarial techniques. We compared the results of our independent calculation with the amounts determined by the Group, and we obtained evidence supporting any significant differences observed.
- Assessment of the adequacy of the LIC through an analysis of the run-off results of the claims and annuity liabilities.
- Assessment of the proper allocation of the evolution of the LIC through OCI and profit or loss statement.
- Inspection of the reports issued by the actuarial function and rationale for conclusions made therein as input for our risk assessment.
- Assessment of the adequacy of the relevant disclosures in the consolidated financial statements.

IT systems and controls over financial reporting

Description

We identified IT systems and controls over financial reporting as a key audit matter for the Group because its financial accounting and reporting systems are fundamentally reliant on IT systems and automated application controls to process significant transaction volumes. Automated application controls and general IT controls, which include IT governance, general IT controls over program development and changes, access to programs and data and computer operations, are required to be adequately designed and to operate effectively to ensure accurate financial reporting.

Our audit procedures

With the assistance of our IT specialists, we have performed the following procedures:

- Examination of the Group's framework of governance over its IT organization.
- Assessment of the design, implementation, and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and computer operations on relevant IT systems that support financial accounting and reporting also taking into consideration compensating controls and assessment of the impact on the extent and nature of other audit procedures whenever controls are not operating effectively.
- Assessment of the design and implementation and evaluation of the operating effectiveness of IT application controls in the relevant processes impacting the Group's financial reporting, including compensating controls and substantive procedures whenever supporting general IT controls are not operating effectively (e.g., access to programs and data).
- Assessment of the integrity of data transmission through the different IT systems to the financial reporting systems.
- Assessment of the design and implementation and evaluation of operating effectiveness of controls at the relevant service organization.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit, we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements including the sustainability information and the other information included in the annual report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian additional standard (revised version 2025) which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report

The annual report on the consolidated financial statements contains the consolidated sustainability information that is the subject of our separate report on the limited assurance with respect to this sustainability information. This section does not cover the assurance on the consolidated sustainability information included in the annual report on the consolidated financial statements. For this part of the annual report on the consolidated financial statements, we refer to our separate report on this matter.

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this annual report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements, being:

- Profile of Belfius; and
- Additional Information

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.

- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the annual report with the European Single Electronic Format (hereafter "ESEF"), we have also audited whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation") and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (hereafter the "Royal Decree of 14 November 2007").

The Board of Directors is responsible for the preparation of an annual report, in accordance with the ESEF requirements, including the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements").

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format of the annual report and the XBRL tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

In our opinion, based on our work performed, the digital format of the annual report and the tagging of information in the official English version of the consolidated financial statements as per 31 December 2024, included in the annual report of Belfius Bank NV/SA and which will be available in the Luxembourg official mechanism for the storage of regulated information (OAM) of the CSSF are, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

Other aspect

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 26 March 2025

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Olivier Macq
Réviseur d'Entreprises
Bedrijfsrevisor

Non-consolidated financial statements (BGAAP) as at 31 December 2024

Balance (after appropriation)

Assets

(In thousands of EUR)		31/12/2023	31/12/2024
I.	Cash in hand, balances with central banks and post office banks	19,392,981	21,103,695
II.	Treasury bills eligible for refinancing with central banks	0	97,885
III.	Loans and advances to credit institutions	6,289,368	5,581,663
	A. Repayable on demand	3,574,923	2,987,130
	B. Other loans and adv. (with agreed maturity dates)	2,714,445	2,594,533
IV.	Loans and advances to customers	113,734,601	111,350,520
V.	Debt securities and other fixed-income securities	9,307,438	18,255,523
	A. Issued by public bodies	4,880,618	5,443,029
	B. Issued by other borrowers	4,426,820	12,812,494
VI.	Shares and other variable-yield securities	496,851	640,248
VII.	Financial fixed assets	2,795,320	2,926,738
	A. Participating interests in affiliated enterprises	2,091,494	2,096,513
	B. Participating interests in other enterprises linked by participating interests	106,651	112,357
	C. Other shares held as financial fixed assets	77,175	197,868
	D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests	520,000	520,000
VIII.	Formation expenses and intangible fixed assets	238,929	254,793
IX.	Tangible fixed assets	511,939	562,591
X.	Own shares	0	0
XI.	Other assets	827,384	747,703
XII.	Deferred charges and accrued income	8,055,427	7,633,439
TOTAL ASSETS		161,650,238	169,154,798

Liabilities

(In thousands of EUR)		31/12/2023	31/12/2024
I.	Amounts owed to credit institutions	5,220,795	2,238,457
	A. Repayable on demand	1,049,674	635,552
	B. Amounts owed as a result of the rediscounting of trade bills	0	0
	C. Other debts with agreed maturity dates or periods of notice	4,171,121	1,602,905
II.	Amounts owed to customers	104,880,707	109,405,493
	A. Savings deposits	42,776,480	43,774,571
	B. Other debts	62,104,227	65,630,922
	1. Repayable on demand	39,593,199	39,513,655
	2. With agreed maturity dates or periods of notice	22,511,028	26,117,267
	3. As a result of the rediscounting of trade bills	0	0
III.	Debts evidenced by certificates	32,271,398	37,085,247
	A. Debt securities and other fixed-income securities in circul.	26,940,496	31,494,459
	B. Other	5,330,902	5,590,788
IV.	Other liabilities	1,279,980	1,215,166
V.	Accrued charges and deferred income	4,918,620	5,143,070
VI.	A. Provisions for liabilities and charges	101,529	103,245
	1. Pensions and similar obligations	85	79
	2. Taxation	27,700	29,831
	3. Other liabilities and charges	73,744	73,335
	B. Deferred taxes	3,574	3,482
VII.	Fund for general banking risks	988,737	988,737
VIII.	Subordinated liabilities	2,240,341	2,871,563
	CAPITAL AND RESERVES	9,744,557	10,100,338
IX.	Capital	3,458,066	3,458,066
	A. Subscribed capital	3,458,066	3,458,066
	B. Uncalled capital (-)	0	0
X.	Share premium account	209,232	209,232
XI.	Revaluation surpluses	208	208
XII.	Reserves	6,077,051	6,432,832
	A. Legal reserve	345,807	345,807
	B. Reserves not available for distribution	2,345	2,345
	1. In respect of own shares held	0	0
	2. Other	2,345	2,345
	C. Untaxed reserves	36,888	36,614
	D. Reserves available for distribution	5,692,011	6,048,066
XIII.	Profits (losses (-)) brought forward	0	0
TOTAL LIABILITIES		161,650,238	169,154,798

Off-balance sheet

(In thousands of EUR)		31/12/2023	31/12/2024
I.	Contingent liabilities	19,238,833	20,675,462
	A. Non-negotiated acceptances	190,878	130,162
	B. Guarantees serving as direct credit substitutes	15,512,573	16,860,875
	C. Other guarantees	3,364,982	3,547,531
	D. Documentary credits	170,400	136,894
	E. Assets charged as collateral security on behalf of third parties	0	0
II.	Commitments which could give rise to a risk	33,094,629	32,818,984
	A. Firm credit commitments	338,927	1,409,269
	B. Commitments as a result of spot purchases of transferable or other securities	191,657	300,694
	C. Undrown margin on confirmed credit lines	31,939,045	30,484,021
	D. Underwriting and placing commitments	625,000	625,000
	E. Commitments as a result of open-ended sale and repurchase agreements	0	0
III.	Assets lodged with the credit institution	143,077,462	161,903,700
	A. Assets held by the credit institution for fiduciary purposes	0	0
	B. Safe custody and equivalent items	143,077,462	161,903,700
IV.	Uncalled amounts of share capital	17,049	14,923

Statement of income (presentation in list format)

(In thousands of EUR)		31/12/2023	31/12/2024
I.	Interest receivable and similar income	4,987,637	5,552,964
	of which: from fixed-income securities	304,395	540,792
II.	Interest payable and similar charges (-)	(2,992,672)	(3,721,851)
III.	Income from variable-yield securities	188,045	194,988
	A. From shares and other variable-yield securities	21,882	23,190
	B. From participating interests in affiliated enterprises	151,873	160,561
	C. From participating interests in other enterprises linked by participating interests	11,300	8,083
	D. From other shares held as financial fixed assets	2,990	3,154
IV.	Commissions receivable	873,991	927,331
	A. Brokerage and commissions	0	0
	B. Allowances for services of administration, advice and custody	0	0
	C. Other commissions receivable	873,991	927,331
V.	Commissions payable (-)	(443,964)	(484,456)
VI.	Profit (loss (-)) on financial transactions	80,216	132,377
	A. On trading of securities and other financial instruments	101,156	106,344
	B. On disposal of investment securities	(20,940)	26,033
VII.	General administrative expenses (-)	(1,316,457)	(1,268,519)
	A. Remuneration, social security costs and pensions	(635,938)	(646,518)
	B. Other administrative expenses	(680,519)	(622,001)
VIII.	Depreciation/Amortization of and other write-downs on (-) formation expenses, intangible and tangible fixed assets	(106,651)	(127,339)
IX.	Decrease/Increase (-) in write downs on receivables and in provisions for off balance sheet items “I.Contingent liabilities” and “II.Commitments which could give rise to a risk”.	(124,095)	(198,090)
X.	Decrease/Increase (-) in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities	843	(2,300)
XI.	Utilization and write-backs of provisions for liabilities and charges other than those included in the off balance sheet items “I. Contingent liabilities” and “II. Commitments which could give rise to a risk”	33,690	28,680
XII.	Provisions for liabilities and charges other than those included in the off balance sheet items “I. Contingent liabilities” and “II. Commitments which could give rise to a risk"	(32,668)	(33,138)
XIII.	Transfer from (Transfer to) the fund for general banking risks	0	0
XIV.	Other operating income	189,224	198,215
XV.	Other operating charges	(200,009)	(200,044)
XVI.	Profits (Losses (-)) on ordinary activities before taxes	1,137,130	998,818
XVII.	Extraordinary income	11,548	48,933
	A. Adjustments to depreciation/amortization of and to other write-downs on intangible and tangible fixed assets	0	7,445
	B. Adjustments to write-downs on financial fixed assets	0	0
	C. Adjustments to provisions for extraordinary liabilities and charges	0	0
	D. Gain on disposal of fixed assets	11,548	41,488
	E. Other extraordinary income	0	0

XVIII.	Extraordinary charges (-)	(14,420)	(8,305)
	A. Extraordinary depreciation/amortization of and extraordinary write-downs on formation expenses and intangible and tangible fixed assets	(14,032)	(5,149)
	B. Write-downs on financial fixed assets	-	(1,480)
	C. Provisions for extraordinary liabilities and charges	0	0
	D. Loss on disposal of fixed assets	(373)	(1,650)
	E. Other extraordinary charges	(15)	(26)
XIX.	Profits (Losses (-)) for the period before taxes	1,134,258	1,039,446
XIXbis.	A. Transfer to deferred taxes (-)	0	0
	B. Transfer from deferred taxes	62	91
XX.	Income taxes	(252,286)	(239,220)
	A. Income taxes (-)	(268,281)	(241,426)
	B. Adjustement of income taxes and write-back of tax provisions	15,995	2,206
XXI.	Profits (Losses (-)) for the period	882,034	800,317
XXII.	Transfer to untaxed reserves (-)	0	0
	Transfer from untaxed reserves	187	274
XXIII.	Profit (Losses (-)) for the period available for approbation	882,221	800,591

Approbation account

(In thousands of EUR)		31/12/2023	31/12/2024
A.	Profits (Losses (-)) to be appropriated	882,221	800,591
	1. Profits (Losses (-)) for the period available for approbation	882,221	800,591
	2. Profit (Losses (-)) brought forward	0	0
B.	Transfers from capital and reserves	0	0
	1. From capital and share premium account	0	0
	2. From reserves	0	0
C.	Appropriations to capital and reserves	441,873	356,055
	1. To capital and share premium account	0	0
	2. To legal reserve	0	0
	3. To other reserves	441,873	356,055
D.	Result to be carried forward	0	0
	1. Profits to be carried forward (-)	0	0
	2. Losses to be carried forward	0	0
E.	Shareholders' contribution in respect of losses	0	0
F.	Distribution of profits (-)	440,348	444,536
	1. Dividends (1)	440,348	444,536
	2. Director's entitlements (1)	0	0
	3. Other allocations (1)	0	0

(1) Only applicable to Belgian limited liability companies

Abbreviations

Acronym	
ABS	Asset-Backed Securities
AC	Amortised Cost
ADEME	Environment and Energy Management Agency
AGM	Annual General Meeting
AI	Artificial Intelligence
ALCo	Assets & Liabilities Committee
ALM	Asset and Liability Management
AML	Anti-Money Laundering
AQR	Asset Quality Ratio
AUM	Assets Under Management
B/S	Balance Sheet
Batopin	Belgian ATm OPtimization INitiative
BB	Belfius Bank
Belfius AM	Belfius Asset Management
BI	Belfius Insurance
bp	basis point
BREEAM	Building Research Establishment Environmental Assessment Method
BRRD	Bank Recovery and Resolution Directive
BYC	Belfius Young Community
C&E	Climate-related and Environmental
C/I ratio	Cost-Income ratio
CapEx	Capital Expenditure
CatNat	Natural disaster
CCF	Credit Conversion Factor
CDD	Customer Due Diligence
CDO	Chief Data Officer
CDP	Carbon Disclosure Project
CEP	Climate and Environmental Policy
CERMA	Climate and Environmental Risks Materiality Assessment
CET 1	Common Equity Tier 1
CFT	Combating the Financing of Terrorism
CGC	Capital Group Committee
CISO	Chief Information Security Officer
CLA	Collective Labour Agreement
CO_2e	CO_2 equivalent
CoP	Communication on Progress
CoR	Cost of Risk
CPAS/OCMW	Centre Public d'Action Sociale / Openbaar Centrum voor Maatschappelijk
CPRS	Climate Policy Relevant Sectors

Acronym	
CRC	Credit Risk Committee
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSM	Contractual Service Margin
CSRD	Corporate Sustainability Reporting Directive
CVA	Credit Value Adjustment
D&I	Diversity & Inclusion
DCM	Debt Capital Markets
DEI	Diversity, Equity and Inclusion
DMA	Double Materiality Assessment
DORA	Digital Operational Resilience Act
DPF	Discretionary Participation
DPO	Data Protection Officer
DSO	Digital Security Officer
E&E	Entrepreneurs & Enterprises
EAD	Exposure At Default
EAP	Employee Assistance Program
EBA	European Banking Authority
ECB	European Central Bank
ECL	Expected Credit Loss
ECM	Equity Capital Markets
EE	Energy-Efficient
EFRAG	European Financial Reporting Advisory Group
EGM	Extraordinary General Meetings
EIF	European Investment Fund
EIOPA	European Insurance and Occupational Pensions Authority
EL	Expected Loss
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
EPC	Energy Performance Certificate
ESG	Environmental, Social &
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading System
EUR	Presentation currency EURO
FCF	Fulfilment Cash Flows
FEAD	Full Exposure At Default
Fedasil	Federal Agency for the Reception of Asylum Seekers
FHIC	Federal Holding and Investment Company
FMC	Financial Markets Committee

Acronym	
FS-ISAC	Financial Services Information Sharing and Analysis Center
FTA	First Time Adoption
FTE	Full-Time Equivalent
FVO	Fair Value Option
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GAR	Green Asset Ratio
GBF	Green Bond Framework
GBP	Green Bond Principles
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GIR	Green Investment Ratio
GMM	General Measurement Model
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation, Air Conditioning & Cooling
IASB	International Accounting Standards
ICMA	International Capital Markets Association
ICVCM	Integrity Council for the Voluntary Carbon Market
IDD	Insurance Distribution Directive
IEA	International Energy Agency
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IRBA	Internal Rating-Based Approach
IRF	Investment Risk Framework
IRO	Impact, Risk and Opportunity
IRS	Internal Rating System
ISIT-BE	Belgian Institute for Sustainable IT
ISMS	Information Security Management System
ISO	International Organization for Standardization
ISS	Information Security Steering
IT	Information Technology
JMC	Joint Management Committee
KPIs	Key Performance Indicators
KRIs	Key Risk Indicators
kWh	Kilowatt hour

Acronym	
LC	Loss Component
LCA	Life Cycle Assessment
LCM	Liquidity and Capital Management
LCR	Liquidity Coverage Ratio
LGBTIQ+	Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, and others
LGD	Loss Given Default
LIC	Liability for Incurred Claims
LLM	Large Language Models
FSMA	Financial Services and Markets Authority
LMA	Loan Market Association
LRC	Liability for Remaining Coverage
LRE	Leverage Ratio Exposure
LT	Long-Term
LTRO	Long-Term Refinancing Operations
LULUCF	Land Use, Land-Use Change, and Forestry
MiFID	Markets in Financial Instruments Directive
MREL	Minimum Requirement for own funds and Eligible Liabilities
MWh	Megawatt hour
NACE	Nomenclature of Economic Activities
NBB	National Bank of Belgium
NFR	Non-Financial Risk
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NGO	Non-Governmental Organization
NIG	Non-Investment Grade
NIS	Network and Information Systems
NLC	National Labour Council
NPAP	New Product Approval Process
NPS	Non Preferred Senior bonds
NSFR	Net Stable Funding Ratio
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development
P&L	Profit and Loss
PAA	Premium Allocation Approach
PAI	Principal Adverse Impacts
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PRB	UNEP FI Principles for Responsible Banking
PRI	UNEP FI Principles for Responsible

Acronym	
PS	Preferred Senior bonds
PSB	Public & Social Banking
PSD2	Payment Services Directive 2
PSI	UNEP FI Principles for Sustainable Insurance
PVFCF	Present Value of Future Cash Flows
QRR	Quarterly Review Report
RA	Risk Adjustment
RAF	Risk Appetite Framework
RFP	Request for Proposal
RICAP	Risk Identification and Control Assessment Process
RMBS	Residential Mortgage-Backed Securities
ROA	Return On Assets
ROE	Return On Equity
RoNRE	Return on Normative Regulatory Equity
RPC	Risk Policy Committee
RUC	Risk and Underwriting Committee
SARIC	Self-Assessment of Risks and Internal Controls
SASB	Sustainability Accounting Standards Board
SBF	Social Bond Framework
SBP	Social Bond Principles
SBRS	Smart Building and Renovation Solution
SBTi	Science Based Targets initiative

Acronym	
SDG	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SLB	Sustainability Linked Bonds
SLL	Sustainability Linked Loans
SME	Small and Medium Entreprises
SRB	Single Resolution Board
SREP	Supervisory Review & Evaluation Process
SRM	Single Resolution Mechanism
STEM	Science, Technology, Engineering, and Mathematics
TAP	Transition Acceleration Policy
TCFD	Task Force on Climate Related Financial Disclosures
TLOF	Total Liabilities and Own Funds
TLTRO	Targeted Longer-Term Refinancing Operations
TREA	Total Risk Exposure Amount
TRIM	Targeted Review of Internal Models
UNEP FI	United Nations Environment Programme Finance Initiative
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	UN Global Compact
VaR	Value at Risk
VFA	Variable Fee Approach
WCAG	Web Content Accessibility Guidelines
WEF	World Economic Forum

Additional information

Additional addresses of Belfius Bank and Belfius Insurance's main subsidiaries and branch[25]

Belfius Auto Lease

Operational vehicle leasing and car fleet management, maintenance and claims management services
Brussels National Airport 1K
BE-1930 Zaventem
www.belfius-autolease.be

Belfius Commercial Finance

Financing commercial loans to debtors, debtor insolvency risk cover and debt recovery from debtors
Place Charles Rogier 11
BE-1210 Brussels
www.belfius-commercialfinance.be

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
Place Charles Rogier 11
BE-1210 Brussels
www.dvvlap.be
www.belfius-insurance.be
www.belfiusdirect.be

Belfius Asset Management

Collective Investment Management Company
Place Charles Rogier 11
BE-1210 Brussels
www.belfiusam.be

[25] Are included in this list: all subsidiaries and the branch which are operating in the banking and insurance sector (or whose operations are contributing to banking and insurance activities).

Belfius Ireland Unlimited Company

Managing part of the GC portfolios in run off
23, Shelbourne Road
Ballsdridge
IE-Dublin 4

Belfius Lease

Financial leasing and renting of professional capital goods to the public sector
Place Charles Rogier 11
BE-1210 Brussels
www.belfius-lease.be

Belfius Lease Services

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions
Place Charles Rogier 11
BE-1210 Brussels
www.belfius-lease.be

Crefius

Granting and managing mortgage loans
Registered office
Place Charles Rogier 11
BE-1210 Brussels
www.crefius.com

Elantis

Granting and managing mortgage loans and consumer loans through a network of brokers
Registered office
Rue des Clarisses 38
BE-4000 Liège
www.elantis.be

General information about Belfius Bank

Company name and legal form
Belfius Bank SA
Contact
Tel.: + 32 2 222 11 11
Registered office
Place Charles Rogier 11
B-1210 Brussels
Main postal address
Place Charles Rogier 11
B-1210 Brussels
Company number
RPM Brussels VAT BE 403.201.185
FSMA number
19649 A
Website
www.belfius.be

Complaints

If you encounter a problem, you can take it initially to your branch or your relationship manager. If your problem is not resolved, then contact the Complaints department.

Belfius Bank
Complaints department – Colis 7908
Place Charles Rogier 11
B-1210 Brussels
E-mail: *complaints@belfius.be*

If you are not satisfied with the response you receive, you can turn to the Negotiation department of Belfius Bank.

Belfius Bank
Negotiation – Colis 7908
Place Charles Rogier 44
B-1210 Brussels
E-mail: *negotiation@belfius.be*

If you are a natural person acting in a private capacity and you are not satisfied with the responses you have received from the Bank's official bodies mentioned above, you can take your complaint to the Ombudsman in financial conflicts if it relates to banking products.

Ombudsman in financial conflicts
North Gate II
Boulevard du Roi Albert II 8, boîte 2
B-1000 Brussels
Tel.: +32 2 545 77 70
E-mail: *Ombudsman@Ombudsfin.be*

For insurance products, you can take your complaint to the Insurance Ombudsman.

Insurance Ombudsman
Square de Meeûs 35
B-1000 Brussels
Tel.: +32 2 547 58 71
E-mail: *info@ombudsman-insurance.be*