Belfius Bank

Pillar III Report FY 2025

This Pillar 3 Report together with the quantitative tables available via the EBA Pillar 3 Data Hub provide all the disclosures of Belfius Bank required by Capital Requirements Regulation (CRR) (EU) No 575/2013 on prudential requirements for credit institutions. They have been prepared in accordance with the regulations mentioned above.

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Sign-off by the management body on the Pillar III disclosures

I, Hedi Ben Mahmoud, Member of the Board of Directors, Member of the Management Board and Chief Risk Officer of Belfius Bank SA, certify, on behalf of the Board of Directors, that, to the best of my knowledge, the pillar 3 disclosures, for the period ended 31 December 2025, give a true and fair view of the assets, liabilities and financial position of Belfius.

Brussels, 02 April 2026

For the Management Board

Regulatory framework and Pillar 3 disclosure

The third pillar – market discipline – of the capital adequacy regulations develops a set of qualitative and quantitative disclosures allowing market participants to make a better assessment of capital, risk exposure, risk assessment processes, and hence the capital adequacy of the institution.

As from January 2026, the Pillar 3 quantitative information is available via the Pillar 3 Data Hub of the EBA in addition to being published on the Belfius website (www.belfius.be), under "Results and Reports". The Pillar 3 Data Hub will facilitate centralised access by all stakeholders to prudential data from all European Economic Area institutions. On the European Data Access Portal (EDAP), you can easily access Pillar 3 disclosures of all institutions across the European Union and European Economic Area.

All qualitative information required under the Pillar 3 is consolidated within this report, available via the Pillar 3 Data Hub of the EBA and on the Belfius' website (www.belfius.be). The Risk Report, also available via the Pillar 3 Data Hub of the EBA and on the Belfius' website, provides additional details regarding risk management at Belfius Bank.

The information provided in this report has not been subject to an external audit, but has been signed off by Belfius' Chief Risk Officer. The quality of information is guaranteed by a strong process of validation within the Belfius Bank SA Management Board, Risk and Audit Committee and the Board of Directors.

In accordance with Article 432 of the CRR, Belfius Bank may omit one or more of the required disclosures where the information provided by those disclosures is not applicable to its operations. Belfius Bank explains the reasons for omitting any disclosure in this Pillar III Report.

The Pillar 3 disclosures under the CRD /CRR framework only deal with parent companies, subsidiaries and associated companies in the financial sector, and exclude insurance companies. This means that disclosure requirements for Belfius Insurance are generally not included in this report. Belfius Insurance prepares its own Solvency Report (SFCR report).

In the quantitative templates, most data fields have been filled in, with fields left blank when the value is "0".

Belfius Bank Pillar 3 disclosures 2025 FY

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1. Overview of risk management, key prudential metrics and Total Risk Exposure Amount

The main key metrics and Total Risk Exposure Amount of Belfius bank are available in the Risk Report 2025, on the EBA Pillar 3 Data Hub in the quantitative tables EU OV1, KM1, CMS1, CMS2, INS1, INS2 and via the qualitative template EU OVC.

1.1. Template EU OVC – ICAAP information

Approach to assessing the adequacy of the internal capital (Article 438(a) CRR)

Belfius' Internal Capital Adequacy Assessment Process (ICAAP) constitutes a fundamental component of the institution's management culture and decision-making framework.

The capital adequacy assessment is ensured through 2 complementary perspectives: the normative and the economic perspectives.

- Regulatory capital Adequacy: A structured framework allows to build the overall capital buffer based on stress test depletions assessing the material risks identified, uncertainties related to volatility or data quality and specific management objectives. The solvency risk appetite requires maintaining solvency levels above regulatory thresholds, even during prolonged periods of stress. Belfius aims to achieve this objective without resorting to recovery measures that would impact business activities or that would imply the issuance of core capital. The definition and calibration of RAF solvency ratios 2026 is based on a comprehensive framework of capital buffers for risks, uncertainties and management decisions. The updated RAF in this perspective sets clear limits and escalation paths. A set of pre-defined actions in case of RAF limit breaches ensures to restore capital in a timely manner in line with RAF governance. In order to accelerate the use of some options in case of need, the operationalization of the significant risk transfer option is being worked out. A consistent integration of RAF thresholds into the capital and dividend policy allows us to confirm a prudent and resilient distribution scheme. A set of driving targets resulting from benchmarking analysis has been determined and depends on the realization of capital opening and/or significant M&A.

- Economic capital Adequacy: The capital adequacy is also ensured from an economic value point of view. A detailed cartography of capital consumption by risk type and business under both perspectives allows us to confirm that the normative view is more conservative than the economic view, removing the possibility of regulatory or accounting constraints limiting the assessment of capital needs. A new definition of economic capital available encompassing an economic view of the balance sheet is already assessed in the Capital Adequacy Statement. The follow-up of this new definition will bring more detailed information on the economic value of each component of the balance sheet and its drivers. The economic value approach and the analysis of its drivers provide a view how these impacts can be translated into potential impacts on the normative view in the future.

Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process (Article 438(c) CRR)

In view of all the elements set out above and in accordance with ECB prescriptions detailed in article 73 of Capital Adequacy Directive (CRD IV), Belfius' profile and strategy, the Management Board and the Board of Directors consider that Belfius has a sound capital position enabling us to withstand severe economic downturns, and consider its capital as adequate to pursue Belfius Strategy.

2. Risk management objectives and policies

Information requirements are met thanks to the chapter Risk Management Governance of the Risk Report and the qualitative templates EU OVA and OVB.

2.1. Template EU OVA – Institution risk management approach

Disclosure of concise risk statement approved by the management body

Belfius operates a conservative and well diversified risk profile, fully aligned with its business model as a Belgian universal bank and insurance group serving households, SMEs, corporates and the public sector. Its universal banking and insurance model is predominantly domestic and focused on financing Belgian economic actors. The balance sheet is characterised by secured retail lending, granular business and corporate portfolios, and high-quality exposures to public entities. On the liability side, Belfius benefits from a strong and stable deposit funding base.

Belfius manages its material risks through an integrated risk management framework governed by a Board approved Risk Appetite Framework (RAF) - declined at conglomerate level and in all its material subsidiairies - designed to ensure resilience under severe but plausible financial stress, maintain continuity of critical functions, and safeguard the Group's reputation through sound management of all material risks, managed and disclosed in the corresponding sections of the Risk Report, which present underlying drivers, exposures and controls. In this context, main regulatory disclosures include:

- Credit & concentration risk: EU CR1–CR10, EU CQ1-CQ8 (asset quality, impairments, credit risk mitigation), sector and geographical breakdowns, and narrative on IFRS 9 overlays.
- Counterparty credit risk & CVA : EU CCR1–CCR8 and EU CVA1-CVA4 (SA CCR/IMM, collateral, CCPs and CVA risk management.
- Market risk: EU MR1–MR4 (standardised and internal measures).
- Interest rate risk in the banking book: EU IRRBB1 (impact of interest rate shocks on economic value and net interest rate)
- Capital adequacy: EU CC1-CC2 (composition of own funds and reconciliation balance sheet)
- Non-financial / operational risk: EU OR1-OR3 (operational risk capital requirements and loss experience)

Belfius' risk profile is predominantly banking book with limited and tightly controlled market risk, complemented by a strong focus on non-financial risks. The RAF is fully aligned to Belfius business model and strategy. Belfius demonstrated strong loss-absorption capacity and balance-sheet resilience, with a CET1 ratio around 15%, providing a comfortable buffer above regulatory requirements. Liquidity and funding risks are managed conservatively as evidence by a Liquidity Coverage Ratio around 140% and a Net Stable Funding Ratio of around 130% and a Loan-to-Deposit ratio below 96%, supporting resilience under stress scenarios. Asset quality indicators reflect prudent credit risk profile, with low asset quality ratio (around 2%) and limited concentration risk (breakdown of exposure by country, sector, counterparty type, residual maturity in CRxx tables). Operational risk losses incurred during the year remained contained, with around EUR 5 to 10 million (EU OR2) and within expectations, reflecting close attention given to internal control frameworks.

Material transactions with group entities, affiliates, and related parties within Belfius are limited by nature and scope and arise primarily in the context of the Group's integrated banking, insurance and asset management model. These transactions are mainly relating to liquidity and funding arrangements, capital support, guarantees, reinsurance and shared services. Based on the consolidated oversight and monitoring, such transactions do not materially affect Belfius's overall risk profile, capital position or liquidity profile. Oversight is based on approved thresholds for capital, liquidity, concentration, leverage, MREL, encumbrance, and duration gap, validated by the Capital Group Committee (CGC) and reported quarterly to regulators (FICOD reporting). A dedicated policy and governance framework is in place to identify and report transactions that could be considered "prudential arbitrage." Notably, no significant transactions of this nature have been recorded in recent years. All intragroup transactions are conducted at market prices, with consolidation adjustments made to eliminate any realized gains or losses within the group's scope. The most significant transactions typically involve contributions in kind of direct property, sales of bonds and covered bonds, and sales of shares and participations to centralize management.

Information on the risk governance structure for each type of risk

Risk Governance Framework and Lines of Defence

Belfius operates a comprehensive risk governance framework based on a Three Lines of Defence model, complemented by a strengthened "1.5 Line of Defence", ensuring robust identification, management, oversight and assurance of risks across the Group:

- First Line of Defence: operational management is responsible for identifying, assessing and managing risks arising from daily activities, within the limits of the Risk Appetite Framework, internal policies and delegated authorities.
- 1.5 Line of Defence: embedded control roles reinforce first line monitoring and coordination for selected risk processes, while remaining distinct from the independent control functions.
- Second Line of Defence: the independent Risk Management and Compliance functions define frameworks and methodologies, challenge risk-taking and oversee compliance with the Risk Appetite Framework, limits and regulatory requirements across all material risks.
- Third Line of Defence: Internal Audit provides independent assurance under a statutory mandate, assessing the adequacy and effectiveness of governance, risk management and internal control systems.

Multi-Layered Committee Structure

Belfius' risk governance operates through a multi-layered committee structure deployed at several organisational levels:

- Strategic committees at Board of Directors (BoD) and Management Board (MB) level, composed respectively of BoD members and MB members.
- Tactical committees covering general risks and specific risk types (e.g. credit risk, fraud risk, ICT and cybersecurity risk, third party risk, physical security risk, information security risk).
- Operational committees handling day-to-day risk monitoring and decisions within delegated mandates.

The Management Board delegates defined decision powers to these tactical and operational committees. Many key risk committees operate at conglomerate level, covering not only the bank but also Belins and Belfius Asset Management, to ensure consistency in risk governance across the Group.

Governance by main risk type

Each material risk type is governed through dedicated frameworks, policies and escalation mechanisms. Concisely:

- Credit & concentration risks: governed through credit policies, underwriting standards, portfolio monitoring, credit approval processes and escalation to executive and board level risk committees.
- Market, ALM and interest rate risks: governed through balance sheet steering frameworks, sensitivity metrics, limits and dedicated ALM and market risk committees.
- Liquidity & funding risks: governed through a Board approved liquidity risk appetite, ILAAP processes, internal liquidity buffers, normative and economic metrics with assigned limits and contingency funding plans.

- Solvency risk: governed through capital management frameworks, ICAAP processes, regular solvency monitoring, stress testing and integration into strategic planning.
- Insurance risks: (underwriting, reserving, insurance ALM) governed through insurance specific risk frameworks.
- Non-financial risks: (operational, ICT, cyber, conduct, model risk, third party risk, reputational risk, etc.) governed through transversal frameworks, incident reporting mechanisms and specialised committees.

<u>Risk Appetite, Limits and Escalation Framework</u>

For each material risk type, Belfius defines Board approved risk appetite statements, quantitative limits and thresholds. Compliance with these limits is monitored through regular reporting and dashboarding. Breaches trigger documented escalation and remediation processes, with clear reporting lines to senior management, risk committees and the Board of Directors.

<u>Organisation, Statute and Independence of Control Functions</u>

Belfius' internal control functions operate under formally approved charters that define their authority, independence, access rights and responsibilities:

- Risk Management Function
    - Operates under the authority of the Chief Risk Officer (CRO), who is independent from business lines.
    - Has direct access to the Board of Directors, particularly through the Risk Committee.
    - Key tasks include framework and policy setting, risk aggregation, limit monitoring, stress testing, independent challenge and risk reporting.
- Compliance Function
    - Operates independently and reports to senior management and the Board's Risk Committee.
    - Is responsible for managing compliance and conducting risks, regulatory compliance oversight, monitoring, advisory activities and training.
- Internal Audit
    - Operates with full independence under a statutory Audit Charter, reporting directly to the Audit Committee.
    - Performs independent assurance missions covering governance, risk management and internal controls.
    - Independence and Access
    - All control functions have unrestricted access to information and governing bodies.
    - The CRO and CFO are fully independent of business lines, reinforcing segregation of duties. Resources of Internal Control Functions
    - Staffing levels, skill mix and resource allocation for Risk Management, Compliance and Internal Audit are reviewed annually to ensure adequacy in light of the risk profile, business activities, and regulatory expectations.
    - No material organisational changes occurred in 2025, except the appointment of a new Chief Risk Officer in April 2025.

<u>Channels to Communicate and Enforce Risk Culture</u>

Belfius promotes its risk culture through several dimensions. A strong tone from the top ensures clear leadership expectations, supported by governance and accountability mechanisms and a defined risk appetite and strategy aligned with Belfius' objectives. A Group-wide Code of Conduct sets the behavioural standards expected from all employees, while risk information is shared through multiple communication and transparency channels. Remuneration and incentives incorporate risk and conduct considerations to reinforce sound decision-making and behaviours. Risk culture is further embedded through targeted training and competency programmes (including conduct, AML/CFT, conflicts of interest, cyber and ICT risk, information security and product governance requirements), frequent challenges, escalation procedures, and the systematic integration of risk considerations into business processes, including formal product governance frameworks. Belfius also ensures continuous improvement by learning from incidents, supported by documented follow-up actions and feedback loops across all lines of defence.

Declaration approved by the management body on the adequacy of the risk management arrangements.

The Board of Directors, acting as the management body in its supervisory function, has reviewed and approved this declaration in accordance with point (e) of Article 435(1) CRR. Taking into account the Group's risk profile, business model and strategic objectives, the management body confirms that the risk management framework, Risk Appetite Framework and internal control systems in place as at 31 December 2025 are adequate and effective to identify, manage, monitor and mitigate the risks to which Belfius is exposed.

This assurance is based on the management body's assessment of the governance arrangements, risk policies, measurement and reporting systems, as well as the work of the independent control functions, internal audit outcomes and supervisory feedback. The management body further confirms that the information disclosed provides a fair, balanced and comprehensive view of Belfius' risk management arrangements and risk profile. This conclusion is supported by regular monitoring of the risk profile, forward-looking assessments, and independent oversight by the second and third lines of defence. The management body further confirms that the information disclosed provides a fair, balanced and comprehensive view of Belfius' risk management approach, governance and risk profile.

Approval process: Board of Directors meeting of March 26, 2026.

Disclosure on the scope and nature of risk disclosure and/or measurement systems.

Scope of Risk and Compliance Measurement and Disclosures

Belfius Bank applies an integrated risk and compliance measurement framework covering all material risks arising from its universal banking and insurance activities. This includes financial, non-financial, insurance and compliance risks, assessed and disclosed on both a consolidated and conglomerate basis, ensuring a consistent and comprehensive view across the Group. The framework combines among others Regulatory metrics and ratios (ex: capital, leverage, liquidity, solvency), Internal risk appetite indicators and limits, Compliance monitoring indicators linked to legal, regulatory and internal obligations, forward looking tools (stress testing, scenario analysis and sensitivity analysis). This ensures that disclosures provide a balanced view of Belfius' overall risk profile, resilience, and compliance posture.

Nature of Disclosure and Measurement Systems

Risk and compliance disclosures rely on data aggregation, reporting and internal control processes to ensure accuracy, consistency and timeliness. Quantitative disclosures are complemented by qualitative explanations describing governance structures, methodologies and control frameworks. The measurement system covers all material risks using standardised and internal models, including models for Credit risk (PD/LGD/CCF/EAD models, IFRS 9 ECL), Counterparty Credit Risk (SA CCR, IMM), Market risk (sensitivities, VaR, ES), IRRBB (BPV, EaR, SOT EVE and SOT NII), Liquidity & funding: LCR / NSFR and internal metrics covering the entire liquidity horizon, Operational/cyber risk (GRC tool), Model risk: (model inventory and validation), ESG risk (ex: physical risk). Reliability is underpinned by data lineage, reconciliations to main reportings and model governance ensuring consistency between internal risk measures and supervisory reporting requirements.

Overall, the scope and level of detail of disclosures are proportionate to the nature, scale and complexity of Belfius' activities and aligned with regulatory and supervisory expectations.

Risk and Compliance Reporting Flow

Risk and compliance information flows through a structured, hierarchical reporting framework:

- Business and operational functions: Identify, monitor and report risks and compliance issues as part of day-to-day activities, periodic reporting and risk identification processes.
- Risk management and compliance functions: Independently consolidate, analyse and challenge the risk profile and compliance status, including monitoring against the Risk Appetite Framework and compliance obligations.
- Senior management: Receives regular and ad hoc reports covering risk levels, limit utilisation, compliance issues, stress testing outputs and emerging risks, enabling timely actions.
- Board of Directors: Receives periodic comprehensive reports on risk and compliance, and is informed of material developments, breaches and emerging issues through defined escalation channels.

Reporting Cadence of main risk metrics

- Daily / Weekly (HQLA, internal liquidity stress test results, funding concentrations, Market sensitivities and VaR, Limit utilisation) - Recipients: ALM/Treasury / Markets management;
- Monthly (LCR/NSFR, IRRBB BPV/EaR, other balance sheet metrics, funding plan deviation, Operational incidents) - Recipients: Executive Management / ALCo;
- Quarterly (Risk Appetite Framework reporting, Portfolio credit metrics, ECL/Staging, Credit concentrations, ALM and IRRBB reporting, several KRI's segmented by risk domains in a comprehensive risk report - Recipients: Management Board, Risk Committee and Board of Directors;
- Yearly: Stress test of the financial Plan, Internal Control Report, … Recipients: Management Board, Risk Committee and Board of Directors;
- Ad Hoc/Event-driven: Deep dives (IRRBB, cyber, climate, model), Stress test updates under market turmoil, Breach and escalation reports, Associated remediation plans – Recipients: Management Board or higher.

Disclose information on the main features of risk disclosure and measurement systems.

Belfius Bank maintains an integrated framework for risk measurement, monitoring and disclosure covering all material risk categories, consistent with its internal risk taxonomy and Risk Appetite Framework (RAF). Pillar 3 disclosures are prepared in accordance with Part Eight of the CRR and relevant EBA guidelines and are supported by a controlled data flows and reporting environment.

The Bank's risk measurement and disclosure systems rely on a structured architecture comprising an internal risk taxonomy, risk identification, risk dashboards, scenario and stress testing modules, and comprehensive model inventory and lifecycle management tooling. These components enable consistent measurement across risk types, and timely reporting to senior management, risk committees and the Board of Directors.

Risk measurement combines yearly risk identification process, risk appetite indicators and more operational risk limits, regulatory and internal metrics, scenario analyses and stress tests, as well as model-based methodologies, including internal rating and scoring systems. This supports a transversal, forward looking view of Belfius's risk profile and ensures appropriate escalation in case of RAF limit breaches or emerging risk signals.

Belfius has established policies for systematic and regular reviews of its risk management strategy, frameworks and underlying processes. These include, among others, the annual review of the RAF, the periodic refresh of risk policies, and independent model validation cycles based on model tiering, complemented by periodic back testing for market risk, IRRBB or IFRS 9 models. At a non-financial risk level, Belfius also performs annual business continuity and disaster recovery exercises, contingency funding plan testing, and cyber resilience assessments, ensuring operational and financial preparedness. In addition, the ICAAP, ILAAP and Recovery Plan are reviewed at least annually and approved up to the Board of Directors, ensuring alignment with the institution's strategy, risk profile and external environment.

The Bank also applies formal policies for the periodical assessment of the effectiveness of its risk management framework and measurement systems. Effectiveness is assessed through monitoring of risk appetite indicators, stress testing outcomes, management and Board level reviews, and independent second- and third-line control activities. These include Key Control Testing by the first and second lines of defence, an Internal Audit multi year audit plan, and remediation tracking. The control environment is further reinforced by data quality governance and monitoring. Internal rating and scoring systems undergo at least annual qualitative and quantitative performance assessment, with results informing limit calibration, methodological adjustments and governance enhancements.

Strategies and processes to manage risks for each separate category of risk.

Belfius employs stress testing as an integral component of its risk management framework, ensuring the resilience of its risk profile under adverse but plausible conditions and supporting strategic decision-making at all levels of the organization.

The stress testing framework is applied at the consolidated group level, encompassing Belfius S.A. and all subsidiaries, including insurance activities, asset management and covers all portfolios, geographies, and material risk types. This includes credit risk (retail, corporate, and public sector exposures), market risk (trading book, fair value through OCI, derivatives), interest rate risk in the banking book (IRRBB), liquidity and funding risk, as well as selected non-financial risks such as operational, conduct, legal, cyber, and climate-related risks. Both on- and off-balance sheet assets and liabilities are included.

Stress testing at Belfius is structured around both institution-wide and risk-specific exercises. The scenarios adopted reflect a broad spectrum of potential adverse developments, including macroeconomic downturns, financial market shocks, liquidity stress events, and idiosyncratic risk drivers. Scenarios are constructed to be severe yet plausible and are periodically reviewed and updated to ensure continued relevance. The framework incorporates regulatory scenarios (such as those required by the EBA and ECB), internally designed scenarios tailored to the bank's specific risk profile, and reverse stress tests that identify combinations of events capable of threatening the bank's viability or regulatory thresholds. Scenarios may be systemic (macroeconomic or market-wide), idiosyncratic (bank-specific), or a combination of both, and are developed using a blend of historical data, expert judgment, and forward-looking analysis. The frequency of stress testing varies according to the type of exercise: institution-wide financial plan stress tests and reverse stress tests are conducted at least annually, regulatory stress tests are typically biennial, and risk control stress tests (such as those for liquidity or trading book market risk) may be run monthly, quarterly, or as needed. Ad-hoc stress tests can be triggered by emerging risks or unexpected events.

Methodologically, Belfius combines top-down and bottom-up approaches, leveraging internally developed models, expert judgment, and sensitivity analyses as appropriate. The stress testing process is fully integrated into the bank's risk management framework, including the Risk Identification and Cartography Assessment Process (RICAP), ICAAP, and ILAAP. Quantitative assessments are performed at both portfolio and segment levels, with impacts measured on key metrics such as expected credit loss (ECL), risk-weighted assets (RWA), capital, liquidity, and profitability.

At risk type level, for credit risk, stress tests address probability of default, loss given default, exposure at default, and concentration risks. Market risk stress tests cover all relevant positions and risk factors, while liquidity stress tests address both idiosyncratic and market-wide scenarios, funding concentrations, and behavioral assumptions. Non-financial risk stress tests include low-frequency, high-severity events and consider second-round effects such as reputational impacts. All models used in stress testing are subject to independent validation and audit, ensuring integrity and compliance with internal and external standards.

The governance of the stress testing framework is robust and clearly defined.

The annual stress testing program is coordinated by the Strategic Risk Management & Modelling department, with input from risk expertise centers and business lines. The program and its conclusions are challenged and approved by the Management Board and the Board of Directors, with the Risk Committee acting as a challenger and reviewer. Specific committees such as the Risk ManCo, ALCo, and Capital Group Committee are involved in challenging scenarios, reviewing results, and ensuring alignment with the bank's risk profile and strategic objectives. The Risk-Business Committee (RBC) ensures transversal communication and risk awareness across the organization. The policy is reviewed at least every three years, or more frequently in response to significant regulatory changes or evolving risk environments, to ensure ongoing compliance and effectiveness.

The outcomes of stress testing are used extensively in risk management processes, including the calibration of the Risk Appetite Framework, ICAAP and ILAAP, capital and liquidity planning, recovery planning, and limit setting. Results are reported to senior management, risk committees, and the Board of Directors, supporting the identification of vulnerabilities, escalation of emerging risks, and definition of mitigating actions. Stress testing also serves as a key communication tool, raising risk awareness and informing business decisions across the organization.

Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.

Belfius manages, hedges and mitigates all material risks arising from its business model through risk specific strategies, policies and processes aligned with its Risk Appetite Framework and strategic objectives, as described in the Belfius Risk Report. Risk mitigation measures are embedded in core business activities and supported by governance, monitoring and escalation mechanisms.

For credit and concentration risk, mitigation relies on prudent underwriting standards, portfolio diversification and steering, real estate and financial collateral, guarantees, netting arrangements and the use of credit derivatives. Sector and single name limits, large exposure controls are implemented to address concentration risk. Effectiveness is monitored through collateral revaluations and haircuts, back testing of PD, LGD and EAD models, watch list processes, early warning indicators and override governance, with outcomes reported to senior management and risk committees.

For counterparty credit risk, mitigation is achieved through counterparty and tenor limits, exposure measurement methodologies and collateral arrangements including CSAs with daily margining, eligible initial margin and central clearing. Additional measures include downgrade provisions and wrong way risk triggers. Effectiveness is monitored through KPIs on collateral disputes, PFE back testing, wrong way risk metrics and stress-test P&L attribution analyses.

For market risk, mitigation is ensured through conservative position limits, stop loss thresholds and risk factor diversification, complemented by hedging strategies using interest rate, FX and credit derivatives where appropriate. Effectiveness is monitored through hedge effectiveness tests, VaR back testing, analyses of stress test breaches and the implementation of remedial actions, with regular reporting to management and risk committees.

For interest rate risk in the banking book (IRRBB), mitigation includes structural hedges using swaps and swaptions, duration and convexity management and the integration of interest rate risk considerations into product design and the Funds Transfer Pricing framework. Effectiveness is monitored through Basis Point Value and Earnings at Risk metrics versus limits, validation of behavioural assumptions for non maturing deposits and prepayment models, and gap and sensitivity analyses, with results reviewed by senior management and the Board.

For liquidity and funding risk, mitigation relies on maintaining High Quality Liquid Asset buffers, ensuring diversified funding sources such as retail deposits, covered bonds, senior unsecured instruments and central bank facilities, and maintaining a robust Contingency Funding Plan. Effectiveness is monitored through LCR and NSFR compliance, survival horizon testing, liquidity early warning indicators and contingency funding plan drills, with regular reporting to management and the Board.

For operational risk, mitigation includes segregation of duties, access and identity controls, monitoring and detection mechanisms, business continuity and disaster recovery planning, third party risk management and insurance coverage. Effectiveness is monitored through operational KRIs, incident and root cause remediation tracking, control testing programmes, red team and penetration testing, and audit findings closure rates.

For model risk, mitigation is ensured through independent validation cycles, model use restrictions, formal model change governance and the development of challenger models. Effectiveness is monitored through validation outcomes, model performance drift and stability metrics, post implementation reviews and governance processes for overlays and compensatory adjustments.

For ESG and climate risk, mitigation involves sector specific policies, client engagement, exposure limits and adjustments to collateral and covenant frameworks for sensitive sectors. Effectiveness is monitored through portfolio alignment metrics, sector concentration dashboards and climate stress testing outcomes.

The effectiveness of hedges and other mitigation techniques is assessed across all risk types through key risk indicators, limit compliance monitoring, back testing programmes, stress testing results and regular risk reporting. Findings are reviewed by senior management, risk committees and the Board, and may trigger adjustments to the mitigation framework. Independent control functions periodically assess the adequacy and effectiveness of mitigation measures and governance processes.

2.2. Template EU OVB – Disclosure on governance arrangements

The number of directorships held by members of the management body.

The number of directorships held by members of the management body (answer for the Management board of Belfius per 31/12/2025) equals 7 (excluding the directorship in Belfius Bank and Belfius Insurance), if we include for all 6 members the directorship in Belfius Bank the amount is 13 (7+6)

- Hédi Ben Mahmoud 0 / 1 (Belfius Banque)
- Marianne Collin 0 / 1 (Belfius Bank & Belfius Insurance)
- Marc Raisière 1 / 2 (Belfius Bank & Febelfin)
- Bram Somers 2 / 3 (Belfius Bank & Isabel, EPI)
- Olivier Onclin 1 /2 (Belfius Bank & Voka)
- Dirk Gyselinck 3 /4 (Belfius Bank & Belfius Asset Mgt, Candriam, Leuven Mind gate)

Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.

The Nomination Committee ensures that the Board of Directors of Belfius Bank is composed of a sufficient number of Directors with experience in banking, insurance and asset management matters given that several Directors of Belfius Bank (both executive and non-executive) also sit on the Board of Directors of Belfius Insurance or of Belfius Asset Management.

Furthermore, the Board of Directors of the Bank will be informed via the Nomination Committee of the proposal to appoint a candidate to a vacant position in the Board of Directors or the Management Board of Belfius Insurance and Belfius Asset Management. This candidacy will likewise be submitted for advice to the Nomination Committee, which is also competent for those companies.

Moreover, the minutes of the meetings of the Board of Directors of Belfius Insurance are submitted to the Board of Directors of Belfius Bank.

Responsibilities and scope

The Nomination Committee plays a consultative role and prepares the decisions of the Board of Directors of Belfius Bank, Belfius Insurance and Belfius Asset Management with regard to the composition, operation and evaluation of the management bodies in their supervisory and executive function, as well as in terms of compliance with provisions relating to corporate governance.

It has the following competences and tasks:

➢ General competencies

The Nomination Committee identifies and recommends for the approval of the Shareholders' Meeting or, as the case may be of the Board of Directors, candidates suited to filling vacancies on the Board of Directors according to the Fit & Proper, Suitability and Succession Policy and the Diversity Policy. It evaluates the balance of knowledge, skills, diversity and experience within the Board of Directors, prepares a description of the roles and qualifications associated with a particular appointment and assesses the time commitment expected. In this context, the Nomination committee draws up policies relating to the suitability, diversity, induction, and training of members of the Board of Directors. The Nomination Committee also decides on a target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented genders in order to meet that target (see the Diversity Policy). In its annual report, the Bank publishes the objective and policy concerning diversity within the context of selecting members of the Board of Directors and the terms of their implementation. This information is updated regularly, at least once a year.

➢ Competences concerning the appointment/mandate renewal of Directors

- Non-Executive Directors

The Nomination Committee prepares proposals for the appointment or mandate renewal of Directors, as well as proposals for co-opting Directors on the Board of Directors. The Nomination Committee furthermore assesses the independence of a current member or a new member of the Board of Directors.

The Nomination Committee prepares proposals for the appointment or mandate renewal of the Chair of the Board of Directors. The Board of Directors appoints the Chair of the Board of Directors.

When the mandate of a non-Executive Director is being renewed, the Nomination Committee requests an external individual assessment of the Director's suitability and involvement in the Board of Directors and reports the results to the Board of Directors with a recommendation.

For any new appointment or mandate renewal, the Nomination Committee ensures, prior to giving an advice on a candidate, that the Board of Directors has received sufficient information about the candidate. The Nomination Committee also ensures that there is no (new) element that may have a negative impact on the assessment of the candidate's suitability. This information will enable the Board of Directors to assess the conformity of this candidacy with the general and specific profile of Directors. After submission of this candidacy to the Board of Directors and before the candidate is appointed, the institution notifies the Regulatory Authority of its intention to appoint the Director /renew the Director's mandate. The Regulatory Authority must give its approval regarding the intention to appoint/renew the Director's mandate within a reasonable period of time. In principle, the appointment may not be made or published before the decision of the Regulatory Authority has been taken.

Based on the criteria defined by law, the Nomination Committee assesses the suitability of a current/new member of the Board of Directors to be qualified as Independent Director. This assessment is submitted by the Nomination Committee to the Board of Directors. The Board of Directors submits this proposition to approval of the Shareholders' Meeting. The Shareholders' Meeting appoints a Non-Executive Director as Independent Director.

- Chair and members of the Management Board

The Nomination Committee analyses the proposals from the Management Board regarding the composition of the Management Board.

The Nomination Committee prepares the proposals for the appointment of the Chair and members of the Management Board. The Board of Directors appoints the Chair and the members of the Management Board subject to prior approval of the Regulatory Authority.

<u>General principles</u>

The Board of Directors coordinates, at the proposal of the Nomination Committee, the appointment or mandate renewal of the Directors.

In this context, the Nomination Committee:

- examines questions relating to the matter of succession, including the urgent necessity to provide for a succession. If the Nomination Committee deems it necessary, it may call on an external adviser.
- establishes a general and specific profile for the Directors, listing the skills, knowledge and experience needed within the Board of Directors.
- periodically and at least annually, assesses the size and composition of the Board of Directors and makes recommendations to the Board of Directors with a view to any changes, in particular, to guarantee the complementarity of such profiles. Normally, every three years a collective evaluation of the Board of Directors will be performed by an external provider that will be presented to the Nomination Committee and to the Board of Directors.

Information on the diversity policy with regard of the members of the management body.

We refer to the diversity policy for this information.

Appendix 9 Diversity policy -06 20231.docx

Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.

The Risk Committee (RC) of Belfius was set up within the Board of Directors pursuant to Article 27 and Article 29 of the law on the legal status and supervision of credit institutions and stockbroking firms of 25 April 2014, BS [Belgian Official Gazette] of 7 May 2014.

The RC is composed of at least three members, including a chairperson, all appointed by the Board of Directors from among its Non-Executive members. The majority of the members must be Independent Directors within the meaning of Article 526ter of the Companies Code.

The RC meets at least every three months, or more often if circumstances require so. Usually, there is a RC or joint sesssions with Audit Committee each month.

Description on the information flow on risk to the management body.

Risk and compliance information flows to the management body through a structured, hierarchical reporting framework:

- Business and operational functions: Identify, monitor and report risks and compliance issues as part of day-to-day activities, periodic reporting and risk identification processes.

- Risk management and compliance functions: Independently consolidate, analyse and challenge the risk profile and compliance status, including monitoring against the Risk Appetite Framework and compliance obligations.
- Senior management: Receives regular and ad hoc reports covering risk levels, limit utilisation, compliance issues, stress testing outputs and emerging risks, enabling timely actions.
- Board of Directors: Receives periodic comprehensive reports on risk and compliance, and is informed of material developments, breaches and emerging issues through defined escalation channels.

The main reports received by the Board of Directors are : quarterly, the Quarterly risk Report, the Risk Appetite Framework Report; 3 times per year : Feedback from Non-Financial Risk Committee; half yearly, the Compliance Activity Report; Yearly : Senior Management Report on the Assessment of the Internal Control, ICAAP-ILAAP, Recovery plan, Annual Model Report of the Validation (Model Management Framework), RAF (Risk Appetite Framework) policy, SREP, Risk Report, ...; bi-annually : EBA Regulatory Stress Test.

3. Disclosure of the scope of application

The scope of application is described in the quantitative tables EU LI1, LI2, LI3, PV1 and in the qualitative templates LIA and LIB.

Note that in the quantitative table EU LI1: column (a) is the consolidation scope for public disclosure with the insurance group in full consolidation; column (b) is the consolidation scope for prudential reporting with the insurance group in equity method.

3.1. Template EU LIA – Differences between accounting and regulatory exposure amounts

Differences between columns (a) and (b) in template EU LI1 (Article 436 (b) CRR)

Risk measures vary according to the purpose for which exposure is calculated: IFRS or the determination of regulatory capital (CRD V/CRR2).

Qualitative information on the main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2 (Article 436 (d) CRR)

Column (a) is the consolidation scope for public disclosure with the insurance group in full consolidation. Column (b) is the consolidation scope for prudential reporting with the insurance group in equity method.

3.2. Template EU LIB – Other qualitative information on the scope of application

Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR

We apply the derogation provided under Article 7 of the CRR, allowing Belfius Ireland and Belfius Financing Company to be included in Belfius Bank's individual figures on a look-through basis.

The other items of the table LIB are not applicable to Belfius Bank:

- Impediment to the prompt transfer of own funds or the repayment of liabilities within the group: there is no impediment to the prompt transfer of own funds or the repayment of liabilities within the group.

- Subsidiaries not included in the consolidation with own funds less than required: all subsidiaries are consolidated.
- Aggregated amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation: all subsidiaries are consolidated, and therefore the aggregated amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation is zero.

4. Own funds

Information requirements are met thanks to the chapter Equity and Capital Management of the Risk Report, the quantitative tables EU CC1, CC2 and CCA.

5. Countercyclical capital buffers

Information requirements are met thanks to the chapter Equity and Capital Management of the Risk Report, the quantitative tables EU CCyB1 and CCyB2.

6. Leverage ratio

Information requirements are met thanks to the chapter Equity and Capital Management of the Risk Report, the quantitative tables EU LR1, LR2 and LR3 and the template EU LRA.

6.1. Template EU LRA – Disclosure of LR qualitative information

Description of the processes used to manage the risk of excessive leverage

The risk of excessive leverage is managed through the Financial Plan process. The leverage ratio as defined in the CRR3 is further integrated in the Risk Appetite Framework with internal limits and targets 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. Belfius stayed well below the prudential threshold indicators of 8% on Securities Financing Transactions (SFT) leverage exposure and derivatives leverage exposure.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.

At the end of 2025, the Belfius leverage ratio stood at 6.25%, a decrease by 21 bps compared with the end of 2024 and well above the minimum Pillar 1 requirement of 3%. Note that the implementation of CRR3/CRD6 from 1 January 2025 had no impact on the numerator and a limited impact on the denominator (see hereunder).

The decrease is the result of negative effects (-6 bps) from the lower level of Tier 1 capital and of the negative effect (-15 bps) from the increased total leverage exposure measure due to:

- a significant increase in other assets following the increase in customer mortgage and term loans to corporates and an increase in investments in government and corporate bonds.
- an increase in the SFT add-on stemming mainly from increased off balance commitments on reverse repo transactions.
- a decrease in the off-balance leverage exposure mainly stemming from a shift in conversion factor (CCF) from 50% to 40% linked to regulatory changes in CRR3/CRD6, the accounting exposures remaining stable.
- a decrease stemming from the higher adjustments in the Tier 1 capital (see above).
- a slight decrease in the leverage exposure value for derivatives.

7. MREL

Information requirements are met thanks to the chapter Equity and Capital Management of the Risk Report and the quantitative tables EU KM2, TLAC1 and TLAC3.

In tables KM2 and TLAC1, all data points are filled-in except G-SII that do not apply for Belfius. TLAC2 and iLAC are not applicable as Belfius Bank is a resolution entity (cf. EU TLAC3).

8. Liquidity requirements

Information requirements are met thanks to the chapter Liquidity Risk of the Risk Report, the quantitative tables EU LIQ1 and LIQ2 and the quantitative tables LIQA and LIQB.

8.1. Template EU LIQA – Liquidity risk management

Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding.

Belfius Bank follows risk management of the liquidity indicators within a set of limits. A clear focus is put on seeking, within regulatory constraints (LCR, NSFR, Encumbrance, …), an optimal balance between liquidity buffers, investor diversification, funding needs, costs and market interest. Asset and Liability Management (ALM), a division situated within the scope of the Chief Financial Officer (CFO), is the first line manager for the liquidity requirements of Belfius Bank. Second-line controls for monitoring liquidity risk are performed by ALM & Liquidity Risk team, part of the Strategic Risk Management department. Internal Audit as the third line of defense provides an independent assurance on adequacy and the effectiveness of the governance, risk management and controls performed around the liquidity risk. Moreover, the principles of ILAAP (Internal Liquidity Adequacy Assessment Process) have to be well integrated into the ALM process and governance for identifying, measuring, managing and monitoring liquidity risk and funding positions and liquidity buffers.

Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).

Liquidity risk management is managed at 4 levels within Belfius Bank: Board of Directors, Management Board, ALCO, ALF. The Board of Directors is ultimately responsible for the liquidity risk. The Board of Directors approves the risk appetite indicators and thresholds that are defined in the Risk Appetite framework (RAF), which determines the tolerance level of risk. The Management Board approves the governance structure of liquidity management and approves the strategic plan and also the funding plan. The Management Board delegates to the Asset and Liability Committee (ALCO) the task of looking over the required/targeted liquidity profile through an effective ALM management framework in line with internal and external standards and constraints. It is the responsibility of the ALCO to define, in the proposal of Finance and Risk Management, a robust ALM liquidity management framework consisting of guidelines, methodological standards and modeling techniques.

The ALCO decides on the funding strategy and is responsible for monitoring the liquidity situation. The ALF (Asset Liability forum) has been mandated by ALCO to take care of the operational aspects.

A description of the degree of centralisation of liquidity management and interaction between the group's units

Liquidity at Belfius Bank is managed globally on a consolidated level, centralized for all entities, branches and subsidiaries of the bank, including the companies for securitization.

Scope and nature of liquidity risk reporting and measurement systems.

Identification of risk drivers impacting liquidity is performed, such as collateral outflows, downgrade risk, buffer depreciation, counterparty and maturity concentration, ...).

Risk measurement: identified liquidity risks are measured by means of both regulatory ratios such as the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), the asset encumbrance ratio and internal additional KRI. for example, internal buffer, maturity concentration, funding concentration by counterparty...

Risk analysis is performed by comparing the outcome of these calculations to limits defined in RAF and the results are reported and followed up.

Liquidity stress testing is performed on the funding plan. The aim is to test if RAF limits are respected in stress after use of recovery options.

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.

The risk appetite for liquidity risk is defined in the Risk Appetite Framework which is approved by the Board of Directors. Key risk indicators which include for liquidity risk a set of internal and regulatory measures are reported to the board of directors on a quarterly basis. Operational limits are approved by the ALCo where new bond issuances or other mitigating actions are discussed to improve liquidity if necessary. Limit framework and strategies are described in the liquidity risk guidelines.

An outline of the bank`s contingency funding plans.

The contingency funding plan is based on an adequate early warning system and contains a set of realistic and sufficient recovery measures based on a clear decision process : a daily dashboard with early warnings that detect idiosyncratic and/ or systemic liquidity problems ; an action plan with a set of recovery measures with realistic amounts of available funding and time to market and pricing.

An explanation of how stress testing is used.

Risk performs stress tests on the liquidity position and the funding plan under various scenarios. The results of these stress tests are presented to the Board of Directors and/or to the Management Board. If the outcome of the stress shows that the RAF limits or internal liquidity KRI are not respected, then the liquidity position or the funding plan needs to be adapted.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution’s profile and strategy.

Extract from ILAAP approved by Board of Directors:

Based on the assessment of the risk framework, the governance, the daily monitoring and the forward looking tests done on the funding plan, the Belfius Management Board and the Board of Directors confirm that Belfius has enough funding/liquidity to fund its activities and to sustain severe stress, in line with the defined Risk Appetite Framework and that the main components of the ILAAP are covered by the relevant frameworks, guidelines and policies.

A concise liquidity risk statement approved by the management body succinctly describing the institution’s overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution’s management of

liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.

The sound liquidity position was made possible through adhering to a prudent risk management framework coupled with a dynamic commercial strategy. The year-end Liquidity Coverage Ratio (LCR) amounted to 159%, which is above the target range set for the new financial plan. The LCR remained compliant with regulatory standards even when accounting for the positive impact of money market activity. The liquidity buffer remained at a comfortable level of EUR 51,9bn at the end of 2025 despite extra dividend payment and participation in Candriam. The buffer includes EUR 22,5bn cash deposited at the ECB. The Loan to Deposit ratio (LtD) increased from 92% to 94% and this is also reflected in a decrease in the Net Stable Funding Ratio (NSFR) from 133,1% to 129,7%. All risk appetite limits were respected throughout the year. Lower-level indicators did not show material signs of deterioration with respect to concentrations or sensitivities.

These ratios may include:

- Concentration limits on collateral pools and sources of funding (both products and counterparties)
  - Additional KRI are defined: concentration of funding by counterparty; concentration of issuers in High Quality Liquidity Buffer; proportion of wholesale funding in total funding; proportion of ST funding versus buffer and proportion off-balance sheet commitments versus buffer.
- Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank
  - Tools are at disposal to measure the funding by maturity bucket and to project cash flows of current and future liquidity positions.
- Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.
  - The liquidity position of Belfius Bank is managed on a consolidated basis. Belfius Bank has no accounting restrictions or internal limits or regulatory restrictions that could prevent the transfer of liquidity between entities of the group.
- Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps
  - Tools are at disposal to break down balance sheet and off-balance sheet items into maturity buckets and the resultant liquidity gaps

8.2. Template EU LIQB - Qualitative information on LCR, which complements template EU LIQ1

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The liquidity position, in terms of 12 month moving average of the liquidity coverage ratio, remained stable. Increases in assets due to loan production are compensated by an increase in commercial liabilities, reduction of collateral requirement and more wholesale funding.

Explanations on the changes in the LCR overtime

The stock of commercial loans increases with EUR 1.7 billion compared to Q3. Commercial funding increased with EUR 3.7 billion but this extra funding is not fully reflected in the metric. Firstly, funding rose especially at the end of the quarter and secondly the funding comes from client segments which are considered less stable in terms of the regulatory ratio. The net collateral position decreased from EUR 3.5 billion to EUR 2.6 billion between Q1 25 and Q2 2025.

Explanations on the actual concentration of funding sources

The bank monitors concentration of maturities, products, issuers, depositors through a limit framework. This Risk Appetite Framework defines high level limits which are translated into operational limits. The limit framework is complemented with stresstesting that analyses the impact of certain concentrations.

The total funding of Belfius Bank amounted to EUR 153.5 billion on 31st of December 2025, compared to EUR 151.9 billion on 31st of September 2025. Belfius Bank has a funding profile that consists of mainly commercial funding (83%), senior wholesale funding (7%), secured funding (5%), net unsecured ST interbank funding (4%), and subordinated debt (1%).

We observe some concentration in commercial funding to the segment individuals and the public sector. These concentration risks are monitored, and stress testing shows that our balance sheet is robust in case they would materialize.

High-level description of the composition of the institution`s liquidity buffer.

At the end of Dember 2025, Belfius Bank had available (unencumbered) liquidity reserves of EUR 51.9 billion. These reserves consisted of EUR 22.5 billion in cash, EUR 10.8 billion in ECB eligible bonds and EUR 18.7 billion in other assets also eligible at the ECB (of which EUR 8.0 billion in bank loans and EUR 9.5 billion in retained bonds).

The HQLA buffer contains concentrations to some European sovereigns, this is managed through different limit frameworks.

Derivative exposures and potential collateral calls

As a result of derivative contracts to cover the interest rate risk of its activities of which the majority sits within its banking book environment. 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 3.5 billion end of September 2025 to EUR 2.6 billion end of December 2025.

The potential collateral calls are calculated based on the historical look back approach for LCR purposes.

Currency mismatch in the LCR

No currency, except euro, represents more than 5% of the total balance sheet of Belfius Bank. The Bank therefore considers that the currency mismatch remains very limited. We have a limit framework in place on maturity gaps of main currencies and also an aggregate limit on smaller currencies.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile.

Not applicable as there are no other items in the LCR calculation, not captured in the LCR disclosure template and relevant for the liquidity profile.

9. Credit risk quality

Information requirements are met thanks to the chapter Credit Risk of the Risk Report, the quantitative tables EU CR1, CR1A, CQ1, CQ3, CQ4 and CQ5 and the quantitative tables CRA and CRB.

The tables CR2 (Changes in the stock of non-performing loans and advances), CR2A (Changes in the stock of non-performing loans and advances and related net accumulated recoveries), CQ2 (Quality of forbearance), CQ6 (Collateral valuation - loans and advances) and CQ8 (Collateral obtained by taking possession and execution processes – vintage breakdown) do not apply to Belfius Bank. Indeed, the condition for reporting in FINREP is a threshold of gross NPL ratio of 5%.

Credit institutions should start disclosing these templates if they have been at or above the threshold in two consecutive quarters during the four quarters prior to the disclosure reference date.

Gross NPL ratio = gross carrying amount of non-performing loans/ total gross carrying amount of loans and advances subject to the NPE definition.

For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits have to be excluded both from the denominator and from the numerator.

Belfius Bank does not exceed the threshold.

Table CQ7 (Collateral obtained by taking possession and execution processes) is left empty as Belfius Bank has no collateral obtained by taking possession and execution processes.

9.1. Template EU CRA – General qualitative information about credit risk

In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.

Belfius Bank is a Belgian state-owned financial institution serving individuals, businesses, the public sector and social-profit organizations. Its business model emphasizes long-term value creation, prudent risk-taking and strong financial stability.

The Board of Directors sets a defined Risk Appetite, outlining how much risk the bank is willing to take across all major risk types. This Risk Appetite Framework is integrated into Belfius' strategic planning, ICAAP, and ILAAP processes, guiding both strategic decisions and daily risk management.

The Management Board ensures that this risk appetite is implemented through limits, committees and structured reporting. Risk issues are consistently communicated and monitored across the organization to ensure operations remain aligned with strategy.

Belfius applies the Three Lines of Defence model and relies on strong policies, controls, and risk data capabilities (aligned with BCBS 239). Scenario-based stress testing is embedded in the risk framework to support decision-making and capital planning.

All significant risks are monitored and reported quarterly to senior governance bodies. Any breaches trigger immediate escalation, root-cause analysis and corrective actions.

As a regulated financial conglomerate, Belfius complies with reporting obligations under the Financial Conglomerate Directive, covering capital, intragroup exposures, risk concentration, and leverage.

In line with regulatory requirements (Article 435 CRR), the Management Board concludes that Belfius' risk management system is appropriate for the bank's risk profile and strategy, and that the Risk Report confirms the effectiveness of the Group's risk management arrangements.

When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and

(d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.

The mission of Credit Risk Management is to provide a sustainable management, within a "second line of defense" approach, for the Retail, Private, Wealth, Business, Corporate and Public and Social sector portfolios of Belfius Bank, and to ensure that the cost of risk is controlled, considering developments in the external environment, as well as of the defined Bank's strategy.

Its role of establishing the Risk Appetite Framework, through a series of quantitative and qualitative elements expressing the credit risk levels (Key Risk indicators) that are acceptable for Belfius, defining credit risk policies, guidelines and delegation rules.

Credit Risk Management challenges the portfolio through strategic analysis, monitoring and reporting. In this way, Credit Risk Management makes an essential contribution to the long-term profitability and capital of the Bank.

Belfius' Counterparty Limit Framework, which is part of its global Risk Appetite Framework (RAF), is a pillar to limit risk concentrations: it serves as a reference point to determine the risk levels for which the Management Board and the Board of Directors are qualified and as a result also impacts the decision limits of all (other) credit committees.

Belfius' credit decision process relies on a serie of principles:

- Credit committees are organized into a pyramidal structure with decisions on higher credit amounts, credit proposals with lower rating quality or transactions near the boundaries of the Risk Appetite to be decided on higher decision levels;
- Credit committees have in general equal membership of Risk or Loan department and Business representatives and are always chaired by a Risk or Loan department member;
- Credit (and risk) committees are to a significant extent regionalized, strengthening the principle of decision-by-proximity;
- Decision takers, acting in committees or individually, are to be certified;
- Belfius relies increasingly on an advanced and automated decision-making process with behavioural or financial indicators - determined by Risk - as cornerstones.

Once Belfius has credit commitments on a client, risk evolution is monitored through periodic reviews, a continuous portfolio monitoring and targeted analysis of risk pockets, in order to take risk reducing measures in case of credit deterioration. To this end, Belfius has set up an early warning system based on behavioural and/or financial indicators.

Counterparties showing signs of weakness are closely monitored by the Watchlist Committees organised at regional levels, whose main task is to detect emerging risks as quickly as possible and to monitor them subsequently. In this context, Belfius strictly applies the directives of the EBA regarding forbearance measures, i.e. all concessions towards debtors facing or about to face difficulties in meeting their financial commitments. A counterparty that fails to meet its obligations towards the Bank or has become unlikely-to-pay receives a default status. The formal decision is the competence of Belfius' Default Committee, composed exclusively by members of the Risk department. The Impairment Committees decide on the adequate impairment rationale for exposures in respectively stage 1 (performing) and stage 2 (performing but significant credit deterioration since inception), and the valid impairment level for stage 3 files (default status) based upon existing guarantees and expected recoveries.

When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.

Belfius' risk governance framework is designed to ensure consistent oversight and effective risk management across the entire group, including subsidiaries. This is achieved through a multi-layered committee structure that operates at several organizational levels:

- Board of Directors Level (Strategic Level):

The joint Risk Committee / Risk & Underwriting Committee (RC/RUC) serves as an advisory body within the Board of Directors. Established in accordance with Articles 27 and 29 of the Belgian Banking Law, this committee provides strategic guidance and oversight on risk matters for the entire group. The Risk Committee (RC) at Bank level is an advisory committee operating within the Board of Directors, established in accordance with Article 27 and Article 29 of the Belgian Banking law.

- Management Board (Strategic/Operational Level):

The Joint Management Committee brings together the management boards of the group's entities, ensuring alignment on strategic risk issues. Any potential conflicts are addressed at the Intra-Group Committee level. The Credit Risk Committee (CRC) centralizes all credit risk related topics (origination, monitoring, impairment) into one committee in presence of a selection of Management Board members (CRO, Head of Private Wealth Retail (PWR) and Head of Wholesale and Public Banking (WPB)). The Credit Risk Committee (CRC) has as core mission in providing an effective credit risk oversight & steering of the Private Wealth Retail (PWR) & Wholesale and Public Banking (WPB) credit activities. This includes a.o. reviewing business and risk reports, providing an appropriate risk management and governance framework aligned to the risk appetite and business objectives set forward by the Management Board. The Credit Risk Committee has to inform the Management Board on key issues. This can be done by presenting the CRC's minutes to the Management Board (MB) for information. Strategic files, however, have to be presented for final decisions to the MB, before implementation.

- General Risk (Tactical/Operational Level):

The Conglo Risk Executive Committee (Conglo Risk ExCom), which includes the Chief Risk Officers of Belfius Bank, Belfius Insurance and Belfius Asset Management., operates at this level, involving Belfius Bank, Belfius Insurance and Belfius Asset Management.

- Specific Risk Level (Tactical/Operational Level):

For specialized credit risk domains, sub-committees have been established to ensure consistent governance and oversight. These include:

- the Central Credit Committee (CCC) is the main Credit Committee. The CCC decides on new PWR & WPB credit transactions for the main exposures and credit files near the borders of the credit acceptance policy, reviews larger client exposures and advises on new deals or limits that must be presented to the Management Board. It also decides on delegations given to various lower PWR & WPB credit committees organized at regional level and towards certified deciders;
- the CDC ('Comité de Crédit') International Trade Finance at bank level makes decisions with regard to transactions managed by the Trade Finance department;
- credit decision committees are also organized at subsidiary levels in order to decide PWR or WPB transactions belonging to their scope. The CDC's Crefius, Elantis, Belfius Lease, Belfius Auto Lease, Belfius Commercial Finance can decide upon credit, respectively lease or factoring applications, extension of lines with a specific duration as well as the periodic review of files for amounts authorized within the Belfius' credit delegation framework. They also provide advice on files to be decided at bank level;
- the Regional Risk Committees PWR Business Banking and WPB are regional consultation platforms for monitoring the credit risk quality and taking actions for the regional portfolio with members belonging to Credit Risk, the Loan department, and the Front Office. The Committees ensure, in particular, a thorough follow-up of the regional credit portfolio, with a

focus on counterparties whose credit profile has weakened and are managed under increased monitoring 'watchlist' status. Committees are organized by Business line (PWR & WPB) and Region (NO, NW, SE, SO, Center & Branches);

- the Forbearance Committee Mortgages and Consumer Loans is organized for Retail exposures at the bank, Crefius and Elantis. The objective is to monitor the evolution of the portfolio flagged as Forbearance, to validate the selected new Forbearance cases according to an automated algorithm and assess Forbearance cases on an expert basis.
- the Default Committee has as objective to decide and follow up the default or out-of-default status of counterparties. The default status being a necessary condition for impairment to be recognized.
- a series of Impairment Committees. The need for Belfius to oversee and govern IFRS 9 impairments resulted in a committee structure with different layers :
  - an Expert Panel, composed of business and economic specialists, advising on the forward-looking parameters to calculate the Stage 1&2 expected credit loss under IFRS 9;
  - a Stage 1&2 Impairment Committee: deciding on the expected credit losses accounted for under IFRS 9 Stage 1&2;
  - Stage 3 Impairment Committees approving the individual impairment amounts for defaulted, Stage 3 files. The committees are organized at 2 levels, with competences linked to the impairment amount;
  - a Backstop Impairment Committee determining the minimum coverage requirements of the non-performing exposures under the Regulatory Backstop directives.
- the Rating Committee: the main purpose of the Rating Committee is to supervise the correct and coherent application of the various Internal Rating Systems within Belfius Bank and its subsidiaries, together with an assessment of their performance.

The main credit risk indicators are monitored quarterly by Risk Management teams and reported to the Central Credit Committee and subsequently to the Credit Risk Committee, the Management Board and the Risk Committee via the Quarterly Risk Report and the Quarterly Limit Report.

When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.

The Belfius credit risk management framework is built on the Three Lines of Defence (3 LoD) model, supported by a set of robust and effective internal controls:

- First Line of Defence

The business lines constitute the first line of defence. They are responsible for identifying, assessing, managing, and mitigating credit risks within the framework defined by the second line. They are accountable for implementing, operating, and maintaining effective controls to ensure appropriate credit risk management.

- 1.5 Line of Defence – Permanent Control Functions

Permanent Control functions within the business lines play an essential role in strengthening the control environment. Classified as the 1.5th Line of Defence, they focus on attestation and oversight rather than operational execution. Dedicated Permanent Control units are in place for each major business area—Retail, Private, Wealth, Corporate and Public & Social—as well as in Risk Management, HR, and Technology.

- Second Line of Defence

The second line of defence is ensured by transversal control functions, primarily Risk Management and Compliance, which are part of the CRO perimeter. Independent from the business lines, they design and maintain the risk management framework, including the risk appetite, policies, and procedures. They also oversee, monitor, challenge, and support the first line in managing credit risks effectively.

- Third Line of Defence

The third line of defence is carried out by the Internal Audit function. It provides independent assurance to the Board of Directors and the Management Board regarding the effectiveness of the organisation's governance, risk management, and internal control systems. It reports any deficiencies identified and formulates recommendations for improvement.

9.2. Template EU CRB – Additional disclosure related to the credit quality of assets

The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.

A financial asset is past due when the counterparty fails 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.

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. With the implementation of the new definition of default, a double threshold to be crossed has been put in place. An absolute threshold of EUR 100 for the households and of at least EUR 500 for companies and a relative threshold of 1% of the on-balance exposure of the considered contract have to be both crossed to start counting the 90 days past due linked to a default event.
- The debtor is assessed as unlikely to pay his credit obligations in full without realization of collateral, regardless of the existence of any past due amount or the number of days past due.

All exposures in default are classified in Stage 3 and are impaired.

The definitions of 'past-due' and 'impaired' exposures used in the regulatory perspective are similar to the definitions used for accounting purposes.

The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.

The past-due exposures (more than 90 days) that are not considered to be impaired amount to EUR 70 million (consolidated scope) and EUR 61 million for the Bank exclusive subsidiaries on December 31 2025. They are stemming from the double threshold explained above (a).

Description of methods used for determining general and specific credit risk adjustments.

Belfius Bank and its subsidiaries recognize loss allowances for Expected Credit Loss (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 reflects 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 for 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 such cases, one or more IFRS 9 parameters are stressed when computing the ECL. For mortgages, a stressed LGD value is applied, while for other vulnerable exposures, an add-on is 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 impairment process and results in shifts of individual files or risk pockets from stage 1 to 2. The approach results in ECL levels deemed more adequate to cover the related (increased) credit risk.

These management call layers are reassessed by the Stage 1&2 Impairment Committee on a quarterly basis.

The institution’s own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on defaultin accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.

Forbearance measures 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 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.

10. Credit risk mitigation techniques

Information requirements are met thanks to the chapter Credit Risk Mitigation Techniques in the appendices of the Risk Report, the quantitative tables EU CR3 and the quantitative table CRC.

Related to the table EU CR3 (CRM techniques overview: Disclosure of the use of credit risk mitigation techniques), collateral includes mortgage registrations as well as mortgage mandates for their nominal amount. However, the credit risk mitigation is capped at the level of the exposure amount (no over-collateralization). The carrying amounts are reported net of ECL.

10.1. Template EU CRC – Qualitative disclosure requirements related to CRM techniques

A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;

Within Belfius, managing the Credit Risk Mitigants (CRM) involves the following tasks:

- analysis of the eligibility of all CRM under the Standardised, Foundation and Advanced Approaches.
- periodic collateral valuation in mark-to-market.
- description of all CRM characteristics in internal Risk Systems, such as:
  - mortgage: rank, amount and maturity;
  - financial collateral: valuation frequency and holding period;
  - guarantee/credit derivative: identification of the guarantor, analysis of the legally mandatory conditions, check whether the credit derivative covers restructuring clauses;
  - security portfolio: description of each security.

All relevant data concerning eligibility criteria, minimum requirements, specific characteristics and valuation are captured in various IT tools, and detailed procedures are documented and implemented in the internal management process, both in line with the Basel II standards (Basel III for OTC and SFT).

More specifically, Belfius applies prudent collateral valuation rules integrating adequate haircut layers based on the relevant items influencing the value of the collateral for the bank. Depending on the nature of the collateral, revaluation procedures based on automated information flows, on indexes or expert analysis are in place.

The core features of policies and processes for eligible collateral evaluation and management;

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:

- must be done in connection with all new credit applications;

- 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); and
- are part of the basis for credit decisions and the credit review process.

Credit requests for residential or commercial real estate are considered based on the property's market value, external appraisals or internal value estimates as set out in Belfius' internal credit risk guidelines.

Financial collaterals are considered based on their market value with haircuts for market volatility, correlation with obligor and holding period. In order to reduce the risk, margin calls can be added to the loan or the pledge agreement. The use of financial collateral (except for cash in the case of derivatives transactions) is rather limited.

A description of the main types of collateral taken by the institution to mitigate credit risk;

On balance-sheet credit risk mitigants encompass netting agreements (covering repo-style transactions), collaterals (cash, debt securities, equities, funds, …), immovable property collateral, receivables, leasing, other physical collateral (e.g. on floating charge)).

Off balance sheet credit risk mitigants encompass guarantees and credit derivatives.

Immovable property collateral can be in the form of mortgages or mortgage mandates on physical assets such as homes, commercial property or vessels. In addition, loan agreements may contain a negative pledge clause prohibiting the customer from pledging assets to other lenders.

Guarantees can be given by private individuals, companies, national or regional governing bodies, municipalities, guarantee institutes and banks. As is the case for the original obligor, the guarantor will be attributed a rating taking into account its debt-servicing capacity and financial wealth to intervene when the former goes into default. The rating of the guarantor is subject to an annual review in order to capture recent and forward-looking evolutions in his financial performance and his financial strength. Legal restrictions on using a guarantee as CRM are taken into account as well. For Corporate and Specialized Lending credit files, in addition to the credit quality assessment and the credit risk mitigation techniques, moral commitments may be added e.g. in the form of financial covenants in order to monitor the evolution of the financial performance of the obligor and to take precautionary actions in case of non-respect. Examples of financial clauses are requirements for Net Debt/EBITDA (leverage) and minimum level of equity (solvency). Derivatives exposure may also be reduced via netting of transactions.

For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;

Guarantees can be given by private individuals, companies, national or regional governing bodies, municipalities, guarantee institutes and banks. For guarantees and credit derivatives, Belfius recognises the impact by substituting the PD, LGD and risk weight formula of the guarantor to those of the borrower (i.e. the exposure is considered to be directly towards the guarantor) if the risk weight of the guarantor is lower than the risk weight of the borrower.

Information about market or credit risk concentrations within the credit mitigation taken;

Concentration limits are an essential part of the Risk Appetite Framework of Belfius and are monitored on a continuous basis. This also includes concentration that might arise following credit risk mitigation techniques. In particular, in order for collateral to be effective at times of need, Belfius monitors:

- the concentration of the received collateral;
- the liquidity of the received bonds;
- the impact on collateralization of a possible rating downgrade of one of the contractual parties (either Belfius or the counterparty).

In the event of a one-notch downgrade of Belfius, the impact on the collateral to be posted will be limited as this downgrade will only affect a small portion of the collateral agreements in place.

11. Credit risk SA

Information requirements are met thanks to the chapter Credit Risk Standardized Approach in the appendices of the Risk Report, the quantitative tables EU CR4 and CR5 and the quantitative table CRD.

11.1. Template EU CRD – Qualitative disclosure requirements related to standardized model

Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period

For the calculation of regulatory capital under the standardised approach, Belfius uses the external ratings from S&P's, Fitch and Moody's.

The exposure classes for which each ECAI or ECA is used

For the capital calculations on 31 December 2025, ECAI ratings are used for the following asset classes:

- Central Goverments and central banks
- Regional Governments and Local authorities
- Public Sector Entities
- Institutions
- Corporates

A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book

Belfius does not currently transfer the issuer and issue credit rating onto items not included in the trading book.

The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA)

Different risk weights are applied to credit exposures depending on the rating assigned by the credit rating agencies. Belfius uses the ECAI mapping provided by EBA

Credit quality step	S&P	Fitch	Moody's
1	AAA to AA-	AAA to AA-	AAA to AA3
2	A+ to A-	A+ to A-	A1 to A3
3	BBB+ to BBB-	BBB+ to BBB-	BBB1 to BBB3

4	BB+ to BB-	BB+ to BB-	BB1 to BB3
5	B+ to B-	B+ to B-	B1 to B3
6	below B-	below B-	below B3

Credit quality step	Central governments and central banks	Regional governments and local authorities	Public sector entities	Institutions < 3 months	Institutions < 3 months	Corporates
1	0%	20%	20%	20%	20%	20%
2	20%	50%	50%	20%	30%	50%
3	50%	50%	100%	20%	50%	75%
4	100%	100%	100%	50%	100%	100%
5	100%	100%	100%	50%	100%	150%
6	150%	150%	150%	150%	150%	150%

12.Credit risk IRB

Information requirements are met thanks to the chapter Credit Risk Internal Rating-Based Approaches in the appendices of the Risk Report, the quantitative tables EU CR6, CR6A, CR7A, CR8 and CR9 and the quantitative table CRE.

Regarding the template CR7 (IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques), Belfius does not typically secure its credit exposure by buying protection via credit derivatives. At the current time, the Belfius credit derivatives are not used for Risk Exposure Amount reduction via credit risk mitigation but are used in the context of its market risk activities, including CVA risk hedging.

The table CR9.1 (IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR) is not applicable to Belfius Bank. Indeed, this table is only applicable to institutions using the default rates from an ECAI or similar organisations while Belfius uses its own default rate estimates.

12.1. Template EU CRE – Qualitative disclosure requirements related to IRB approach

The competent authority's permission of the approach or approved transition

Since 1 January 2008, Belfius has been authorised to use the Advanced Internal RatingBased Approach (AIRB Approach) for the determination of its minimum regulatory capital requirements.

Belfius has also decided to maintain a Standardised Approach for some portfolios for which this approach is specifically authorised by the Basel framework, such as small business units, non-material portfolios, portfolios corresponding to activities in run-off, to be sold or portfolios and entities for which Belfius has adopted a phased roll-out of the AIRB Approach.

Furthermore, in the context of the rationalization of the IRB model landscape, the ECB approved in 2024 the move to less sophisticated approaches for low default portfolios, for which historical default and/or loss data are deemed insufficient to develop a compliant internal model. This has led to the following portfolios moving to the standardized approach: Bank and insurance; project finance; regional governments and local authorities; and countries.

The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on:

- the relationship between the risk management function and the internal audit function;
- the rating system review;
- procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models;
- the procedure to ensure the accountability of the functions in charge of developing and reviewing the models

The role of the functions involved in the development, approval and subsequent changes of the credit risk models;

The internal rating process is organised around the main phases of the model life cycle:

- The team Credit Modelling, part of the Strategic Risk Management & Modelling (SRMM) division, bears the overall responsibility for the entire IRB model lifecycle although some activities might be driven by other teams (e.g. Data and IT team being in charge of the technical implementation, Analyst team being responsible for the rating override).
- The validation division of the risk department is structured as a single, independent expert control team. This team is responsible for the independent initial validation of the internal models before their implementation and use for the estimating minimum own funds requirements and other use tests. Additionally, after their implementation, the team performs regular assessment to ensure the compliance of the models and associated processes (including model use) with the relevant regulations. The validation division reports directly to the CRO and is not involved in any model development in order to guarantee its independence. The activities of the validation team are summarized in reports indicating the controls that were performed, their findings, proposed corrective actions and, when required, a validation status. These reports are also used to inform senior management through the Risk Executive Committee about the performance of the rating models and rating processes, areas needing improvement, and the status of efforts to improve previously identified deficiencies in line with Article 189 of Capital Requirements Regulation.
- Internal audit acts, in line with the corporate governance of Belfius, as 3rd LoD with regards to internal rating systems. In this context, Internal Audit conducts a dedicated mission each year by credit activity segment/type (Retail, Corporate, Public). This mission aims to assess the origination and the servicing of the credit activity line, including the related models. The goal is to provide the oversight bodies with reasonable assurance regarding the evolution of the models developed and used, the material changes and the validation process (respect of planning, evolution of major recommendations raised by the Validation team…).

The Internal Rating System's (IRS) decisions are governed through two main committees:

- The Risk Model Committee (RMC): Composed of the CRO, Modelling, Validation and key IRB model users, this committee takes the final decisions regarding the IRB models:
    - Approval of the IRB model changes either for submission for approval by the Board of Director before ECB submission (material changes) or for direct implementation of the model change (non-material changes) ;
    - Endorsement of the validation reports on the models maintenance (review of estimates and operational audit);
    - Endorsement of the corrective action plans recommended by Validation.
- The Rating Committee: The key role of the Rating Committee is to monitor the appropriate use of internal rating systems within the Bank as a whole and to ensure that these IRS are effective. For these reasons, the Rating Committee:
    - Validates overrides, above tolerance threshold, proposed by the risk analysts;
    - Monitors the homogeneous application of the rating and derogation principles within the bank;
    - Validates operational establishment of the models once they are validated by the Risk Executive Committee .

The scope and main content of the reporting related to credit risk models;

The main reports related to credit risk models are:

- The model maintenance report covering the annual review of estimates where the model is backtested and recalibrated, and the in-depth review of estimates (every 3 years) where deeper analyses are run to verify model performance and adequacy. This is in accordance with Capital Requirements Regulation Article 179(1)(c) stating that risk estimates should be reviewed when new information comes to light but at least on an annual basis. For some controls, multiple tests can be conducted. The selection of controls and relevant metrics to execute depends on the materiality of the portfolios being reviewed, number of available defaults and loss experiences and the type of review (annual or in-depth). The Credit Modelling team takes responsibility for the model maintenance, which is executed at least annually as per CRR and ECB requirements.
- The validation report, which is issued by Belfius internal Validation team on an annual basis. The aim of this report is to ensure the compliance of the models and associated processes (including model use) with the relevant regulations.

A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering:

- the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;
- where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;
- where applicable, the definitions, methods and data for estimation and validation of credit conversion factors, including assumptions employed in the derivation of those variables.

In order to harmonize risk identification and reduce unwanted REA difference between institutions, the EBA has issued guidelines on the default definition, which has led to a material change to Belfius' definition of default. This has been implemented in March 2020 within Belfius' internal processes and models have been recalibrated accordingly.

In addition, Belfius has been reviewing its credit models to align with the EBA guidelines. This has led to the alignment of all models with the new harmonized definition of default, the improvement in the calculation of LGDs and CCFs, and the enhancement of the framework for the margin of conservatism in the models. Specifically,

- The PD model is based on a scorecard model that relies on internal data of default observations, spanning a period of 10 years. The PD estimation depends on several factors including client's financial information and behavioral information. The PD is calibrated to the long-run average (LRA) default rate. For regulatory purposes, the margin of conservatism is added to the LRA calibrated PD.
- The LGD model is based on a statistical model that relies on internal recovery data, spanning a period of 6-7 years. The LGD depends on several factors including level and type of collateral and guarantee or sector. The LGD is calibrated to the long-run average LGD and to downturn LGD (reflecting the LGD observed during adverse economic conditions). For regulatory purposes, the margin of conservatism is added to the calibrated LGD.
- The CCF model is based on a statistical model that relies on data from off-balance sheet items that are undrawn revolving commitments, spanning a period of 8 years. The CCF depends on utilization rate and product type. The CCF is calibrated to long-run average CCF and to downturn

CCF (reflecting the CCF observed during adverse economic conditions). For regulatory purposes, the margin of conservatism is added to the calibrated CCF.

13.Specialised lending and equity exposures

Information requirements are met thanks to the quantitative table EU CR10.5. The equity value of participation in Belfius Insurance represents roughly 80% of the Equity portfolio. Note that subordinated loans are not included in this view as they are subject to Art 128 CRR and reported separately in the template CR5.

In accordance with the revised template under EBA/CP2025/07 of May 22th 2025, the columns c and f remain unfilled.

Templates CR10.1 to 10.4 are not applicable as Belfius reverted in 2024 to the Standardised Approach for Project finance exposures.

14. Counterparty credit risk

Information requirements are met thanks to the section Counterparty Credit Risk of the chapter Credit Risk of the Risk Report, the quantitative tables EU CCR1, CCR3 to CCR6 and CCR8 and the quantitative table CCRA.

The template CCR7 is not applicable for Belfius Bank as Belfius do not use the IMM for measuring the EAD exposures that are subject to counterparty credit risk.

14.1. Template EU CCRA – Qualitative disclosure related to CCR

Article 439 (a) CRR - Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties

Article 439 (b) CRR - Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves

Counterparty credit risk is measured and monitored according to the general principles described in Belfius credit risk measurement guideline.

To reduce the counterparty risk, Belfius' OTC derivatives are in most cases concluded within the framework of a master netting agreement (ISDA or EMA), taking into account the general rules and procedures set out in the Belfius credit risk measurement guideline. Collateral exchanges for derivative contracts are regulated by the terms and rules stipulated in a Credit Support Annex (CSA).

The exposure at default for Securities Financing Transactions is based on the cash or securities given, reduced by the collateral received (cash or securities) and taking into account regulatory haircuts as defined by the CRR. Belfius applies netting when eligible agreements (GMRA Global Master Repurchase Agreement or GMSLA Global Master Securities Lending Agreement) are in place.

All OTC transactions are monitored within the credit limits set for each individual counterparty as well as on group level. Sub-limits may be put in place per type of product or activity. Credit Limits are decided by competent committees (FM Credit Limit Committee and CDC) and breaches to these limits are monitored on a daily basis and reported to the respective committees.

In order to avoid direct OTC counterparty risk more and more transactions are done via Central Clearing CounterParties (CCP). CCP mitigate this by centralizing risk, requiring collateral (initial/variation margin), and employing default funds to mutualize losses.

Article 439 (c) CRR - Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR

Both for derivatives and Securities Financing Transactions, strict guidelines are in place to avoid wrong-way risk in order to avoid that received collateral has a direct link to the counterparty or any of its affiliates.

Article 431 (3) and (4) CRR - Any other risk management objectives and relevant policies related to CCR

Concentration limits are an essential part of the Risk Appetite Framework of Belfius and are monitored on a continuous basis. This also includes concentrations that might arise following credit risk mitigation techniques. In particular, in order for collateral to be effective in times of need, Belfius monitors:

- the concentration of the received collateral;
- the liquidity of the received bonds;
- the impact on collateralization of a possible rating downgrade of one of the contractual parties (either Belfius or the counterparty).

Article 439 (d) CRR - The amount of collateral the institution would have to provide if its credit rating was downgraded

In the event of a one-notch downgrade of Belfius, the impact on the collateral to be posted will be limited as this downgrade will only affect a small portion of the collateral agreements in place.

15.Exposures to securitisation positions

Information requirements are met thanks to the section Securitisation of the chapter Credit Risk of the Risk Report, the quantitative tables EU SEC1 and SEC4 and the quantitative table SECA.

The table SEC2 is not applicable because Belfius has no securitization exposures in the trading book.

The table SEC3 is not applicable because Belfius has no securitization exposure in the non-trading book where it acts as an originator or sponsor. Belfius applies the look-through approach on its securitization as originator.

The table SEC5 is not applicable because Belfius has no securitization exposure in default or with specific risk adjustments.

15.1. Template EU-SECA - Qualitative disclosure requirements related to securitization exposures

Article 449(a) CRR: Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation

transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy.

Securitisation activity as original lender:

- Belfius has no re-securtisation transactions outstanding.
- The objective of the outstanding transactions is creating liquid assets that can be used in capital market funding or as collateral for central bank funding.
- The outstanding transactions predate the introduction of the STS securitisation framework and hence do not have the STS label.
- Belfius has no transaction outstanding with which the credit risk of the securitised exposures was transferred to a third party.

Securitisation activity as investor:

- Belfius' investment framework for the ALM Liqiduity (LCR) portfolio allows for the investment in well rated, STS and LCR eligible securitizations.
- No investments in resecuritizations are allowed.
- These investments are purely done from a diversification perspective within the liquidity objective of this portfolio.
- Capital requirements on these investments are calculated based on the STS framework, meaning with an external rating-based approach.
- No new acquisitions have been done during 2025 within the liquidity portfolio.
- Exceptionally securitizations can be purchased as an alternative funding source for corporate clients. These can also be non-STS and non-LCR eligible.
- No acquisitions have been made in this context during 2025.

Article 449(b) CRR: The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and (i) risk retained in own-originated transactions; (ii) risk incurred in relation to transactions originated by third parties

- Securitisation activity as original lender: Belfius has no transactions outstanding with which risk was transferred to third parties.

- Securitisations as investor: the seniority and STS nature of exposures are detailed in table SEC4

Article 449(c) CRR: Institutions' approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions

- Securitisation activity as original lender: Belfius applies the look-though approach

- Securitisations as investor: the approach used for calculation the RWAs and STS nature of are exposures are detailed in table SEC4

Article 449(d) CRR: A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts: (i) SSPEs which acquire exposures originated by the

institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation.

Mercurius Funding NV/SA is a SSPE whose purpose is to acquire exposures originated by Belfius Bank, which are sponsored by Belfius Bank, for which Belfius Bank provides securitisation-related services, and which are included in the regulatory scope of consolidation of Belfius Bank.

Article 449(e) CRR: A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR

Belfius has no transactions outstanding with significant credit risk transfer.

Article 449(f) CRR: A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions

Belfius Ireland

Article 449(g) CRR: A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions

<u>Securitisation activity as original lender:</u>

- According to the definition of control under IFRS 10, Mercurius Funding NV/SA 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.

<u>Securitisations as investor:</u>

- All investments within the ALM liquidity portfolio are booked at Amortised Cost. Resecuritisations are considered to be non-basic in terms of IFRS9 and would be booked at FVtP&L but these are not allowed to be invested in.

Article 449(h) CRR: The names of the ECAIs used for securitisations and the types of exposure for which each agency is used

<u>Securitisation activity as original lender:</u>

- DBRS, Moody's, Fitch and S&P are all used in own securitisation transactions.
- Securitisations as investor:
- Moody's, Fitch and S&P are used for the external rating-based approach applied on the investments made within the liquidity portfolio.

Article 449(i) CRR: Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process

including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels.

Not applicable, as Belfius has no ABCP programmes outstanding.

16. Market risk

Information requirements are met thanks to the chapter Market Risk of the Risk Report, the quantitative tables EU MR1, MR2A, MR2B, MR3 and MR4 and the quantitative table MRA.

Regarding table MR1 (Market risk under the standardised approach), Belfius has only its equity and commodity trading portfolio under the standardized approach. As such, the main contribution is always the equity risk. The increase during 2025 in Standard approach is primarily driven by shifts in positions in EUR indices.

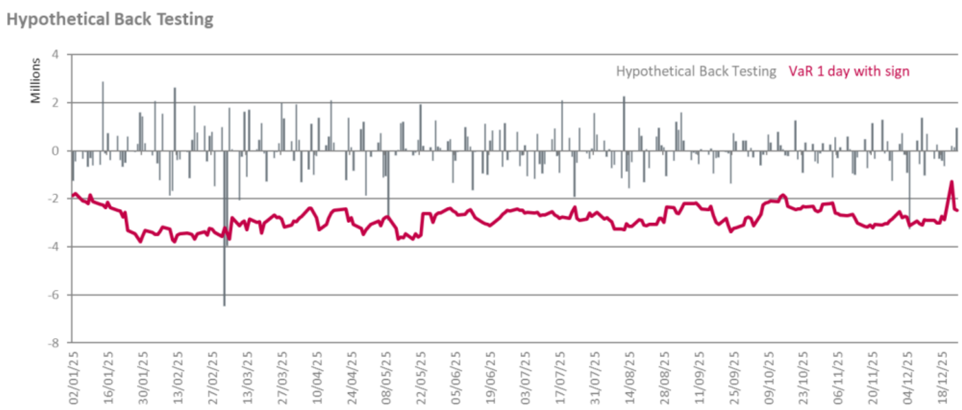
Regarding table MR2A, (Market risk under the internal Model Approach (IMA)), the drop in Internal Model of EUR 138m during 2025, occurred mainly during first half of the year, and coming mainly from dropped SVAR levels due to position changes in IR delta.

Regarding table MR2B (RWA flow statements of market risk exposures under the IMA), the drop in Internal Model of EUR 138m during 2025 comes mainly from drop in IR delta positions and less from drop in FX delta positions. There were no model or methodological impacts.

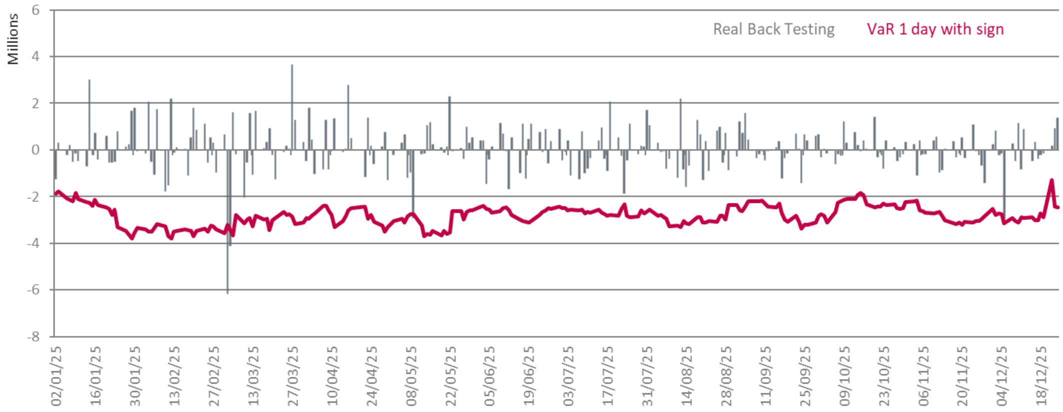
Regarding table MR3 (IMA values for trading portfolios), the drop in VAR levels, which include drop in maximum var, average, minimum VAR. But there was a small recovery at the end of the period. These levels follow the IR delta positions mainly from Flow management and to a lesser extent the XVA hedging.

Regarding table MR4 (Comparison of VaR estimates with gains/losses), in the hypothetical backtesting, there were 4 exceedings, while in the real backtesting for 2025, there were 3. The two exceedings in March were due to market turmoil following Trump's 'Liberation Day' announcement. Another exceeding occurred in May after Trump reinstated the Chinese import tariffs. The last one happened in December after the ECB hinted at a rate hike, but this was only in the hypothetical backtesting as the real P&L had compensatory effects.

Since these exceedings remain below the regulatory maximum of 5, no Risk Exposure Amount add-on was required.



Real Back Testing



16.1. Template EU MRA: Qualitative disclosure requirements related to market risk

Points (a) and (d) of Article 435 (1) CRR - A description of the institution's strategies and processes to manage market risk and a description of the institution's policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.

Our institution employs a comprehensive framework to manage market risk, which includes the following key strategies and processes:

- Risk Identification and Measurement:
  - We use advanced risk management tools, including Value-at-Risk (VaR) models and Greeks, to identify and quantify market risks.
  - Our risk management team conducts daily assessments of market risk exposures, focusing on interest rate risk, equity risk, credit risk, foreign exchange risk, and commodity price risk.
  - During New Product Approval Process, each new product is analysed to ensure all related risks are identified and will be addressed through correct monitoring and limit framework.
- Risk Limits and Monitoring:
  - We set predefined risk limits for different asset classes and trading desks. These limits are regularly reviewed and updated based on market conditions and regulatory requirements. Different levels of granularity exist within limits (VaR, Greeks,...) to ensure both diversifications, limiting tail risks, and respect of Risk Appetite.
  - Our risk management system provides daily monitoring of risk exposures, ensuring that any breaches of risk limits are promptly addressed. Intraday assessments are also conducted.
- Scenario Analysis:
  - We conduct regular stress tests analyses to evaluate the potential impact of adverse market conditions on our trading book. This includes historical scenarios and hypothetical stress scenarios.

Our institution has robust policies in place for hedging and mitigating market risks. All market activities are governed by specific guidelines that outline the objectives, authorized products and which frame the authorized risk through VaR limits, Greeks Limits, P&L triggers and other where relevant. XVA are also framed by a guideline and are actively hedged within a defined risk framework. The Financial Market Risk Policy is ensuring a coherent global governance and sets links with Risk appetite, defines the escalation rules and the main roles and responsibilities.

In order to respect those risk frameworks, Front Office uses a variety of hedging instruments, including interest rate derivatives, equity options, credit default swaps indices, and foreign exchange forwards, to mitigate specific market risks. Hedging strategies are designed to offset potential losses from adverse market movements, ensuring that our overall risk exposure remains within acceptable limits.

Our Risk Management team conducts daily reviews of trading positions and the related risks. We provide regular reports to senior management highlighting the performance of our hedging strategies. Based on the results of our monitoring processes, we make necessary adjustments to our risk frameworks and hedging strategies to optimize the effectiveness of our risk mitigating measures. Our Risk Frameworks is at least reviewed annually.

Point (b) of Article 435 (1) CRR - A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.

The market risk management framework at Belfius is organized in line with the internationally recognized Three-Lines-of-Defense model, ensuring clear allocation of responsibilities, robust governance, and effective oversight.

The First Line is represented by Financial Market and Treasury desks which effectively manages the portfolios leading to Trading Book market risk and implements the hedging strategies. They are accountable for the results of their desks and must behave within an approved Risk Framework.

The Second Line is represented by the Financial Market Risk department and is responsible for the definition and proposal of the Risk Frameworks within which the First Line must operate. They are also responsible for developing the appropriate Risk Metrics (VaR, Stress VaR) and ensure a continuous monitoring of the Trading Activities and their related Risks. They report events, results, risks, limit consumptions and P&L triggers on daily basis and escalate the breaches to Front Office, Management and Committees according to the existing set of Guidelines and Policies. They conduct regular Stress Tests.

The governance is centralized within the Financial Market Risk Policy and translated into a set of Guidelines (activity line guidelines, Trading Book / Banking Book boundary Guidelines, Valuation risk guidelines,..). All limits defined in the Financial Market Risk Policy and the different guidelines are calibrated to meet the overall Risk Appetite Framework of the Bank which is approved at the Board of Director.

In terms of comitology, the oversight comes from the Financial Market Committee which may delegate some decisions to Risk & Result Committee for product approval, positions monitoring and limit approval; and the Fair Value Committee for the aspects related to Fair and Prudent Valuation (model approval, model change, model validation, value adjustment methods,..). Three members of the Management Board, of which CRO and CFO, are members of the Financial Market Committee. Clear escalation rules are established concerning the limit breaches.

Market Risk is also regularly reported to Management Board and Risk Committee amongst others through Quarterly Risk Reports.

Point (c) of Article 435 (1) CRR - Scope and nature of risk reporting and measurement systems

Our institution's risk reporting and measurement systems are designed to provide comprehensive and timely information on market risks across all trading activities. The scope of our risk reporting and measurement systems includes all asset classes including equities, debt instruments, derivatives, foreign exchanges and commodities. We report on related market risks, including interest rates, inflation, forex, equity, credit and commodities, on many different aspects like spot risk, forward risk, basis risk, correlation risk, volatility risk and more.

Our risk reporting and measurement systems encompass all regions where we have trading activities, ensuring a global perspective on market risks. We provide risk reports on a daily, monthly, and quarterly basis, catering to the needs of different stakeholders and ensuring timely risk management. We also regularly monitor intraday risks. Our risk reporting framework is designed to provide actionable insights to different stakeholders, including the Management Board, the Risk Committee, the Trading Desks, Financial Market Committee, Senior Management and regulatory authorities.

Our risk reporting and measurement systems are characterized by their robustness, accuracy, and adaptability to changing market conditions. We employ advanced risk measurement methodologies, such as Value-at-Risk (VaR), greeks, stress testing, and scenario analysis, to quantify market risks.

Our VaR models are based on historical simulation and ensure a comprehensive assessment of potential losses. We distinguish between two VaR scopes. The regulatory scope, applied for capital requirements related to interest rate, inflation and forex, includes the Trading Book, Credit derivatives (in runoff), the Forex risk of the Banking Book, the CVA and FVA hedges and the risks related to FVA. For internal limit controls, our VaR covers all asset classes but are limited to the Trading Book scope. Forex Risk of the Banking Book as well as XVA risks and credit derivatives are framed by different sets of alternative limits (Greeks,…).

We have established robust risk data management processes to ensure the accuracy, completeness, and timeliness of risk data. Our risk data management processes include data validation, reconciliation, and aggregation, ensuring that risk data is reliable and consistent.

Paragraph (1) of Article 445 CRR - A general overview of the trading book positions for institutions that use the Simplified Standardised Approach or the Alternative Standardised Approach.

Belfius Bank uses its internal VaR model for the regulatory capital requirement calculation on foreign exchange risk and general interest rate risk within the trading scope.

The other market risks are treated under the Basel Standardized approach. Further details on market risks are provided in the Risk report annex (Tables EU MR1 to EU MR4 and EU MRA).

Although our trading book includes all asset classes it is mainly concentrated on Interest Rate, Forex and Equity exposures as seen through Value-at-Risk used for internal risk controls (i.e. not including XVA and Credit Derivatives).

VaR (99%, 10 days) [1] (in millions of EUR)	31/12/2024				31/12/2025			
	IR [2] & FX [3]	Equity	Spread	Other risks [4]	IR [2] & FX [3]	Equity	Spread	Other risks [4]
By activity								
Average	5,6	3,7	0,5	0,2	5,2	4,2	0,4	0,2
End of Year	2,9	4,2	0,1	0,3	3,6	3,1	0,3	0,3
Maximum	10,2	8,6	1,9	0,4	8,1	6,8	1,2	0,3
Minimum	2,8	1,9	0,0	0,0	2,1	2,6	0,1	0,0
Global								
Average	10,1				10,0			
End of Year	7,5				7,3			
Maximum	14,8				14,2			
Minimum	7,5				6,2			
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

Other Risk activity is limited to CO2 certificates with limited outright risks and Spread Risk is a more limited activity.

This repartition is also reflected within capital requirements where Debt Instruments, Forex and Equity cover a major part of Market Risk Exposure Amount consumption:

	2024	2025
Debt instruments & FX:	88%	82%
Equity	11%	16%
Collective Investment Undertakings (CIU's)	1%	1%
Commodities	1%	1%
	100%	100%

For Interest Rate and Equity asset classes, the risks to monitor are also more complex than for other asset classes. Indeed, positions on optional products are more frequent within those asset classes leading to additional risk factors (volatilities, forward rates, dividend yields, correlations,..) and hedging strategies to monitor.

17. Credit valuation adjustment

Information requirements are met thanks to the quantitative tables EU CVA2 and CVA4 and the quantitative tables CVAA and CVAB.

The table CVA1 (Credit valuation adjustment under the Reduced Basic Approach) is not applicable for Belfius as we report CVA under the full basic approach (see EU CVA2).

The table CVA3 (Credit valuation adjustment risk under the Standardized Approach) is not applicable for Belfius as we report CVA under the full basic approach (see EU CVA2).

17.1. Template EU CVAA – Qualitative disclosure requirements to credit valuation adjustment risk

Point (a) of Article 445a(1) CRR - A description of the institution's processes to manage credit valuation adjustment risk, including:

- a description of the processes implemented to identify, measure, monitor and control the institution's credit valuation adjustment risks;
- a description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.

Our institution employs a comprehensive framework to manage CVA risk, which includes the following key strategies and processes:

- Risk Identification and Measurement:
- We use advanced tools to measure CVA on different exposures on a daily basis. Those models provide an extensive set of Greeks which permit to identify and quantify the main risks related to CVA and in particular the credit spread component related to the risk of default of our counterparties and the market risk factors influencing our exposures towards our counterparts.
- Our risk management team conducts daily assessments of CVA exposures, focusing on Credit Spread, Interest rate, equity and foreign exchange risks.
- Within our Counterparty Credit Limit Monitoring Framework, we define metrics and limits related to the credit worthiness of our counterparts to ensure that besides direct drivers of CVA risk, our drivers of credit risk, leading to CVA risk, are also correctly identified and measured.

- Risk Limits and Monitoring:
- We set predefined risk limits for main drivers of CVA risk. These limits are regularly reviewed and updated based on market conditions and regulatory requirements. Limits are mainly based on Greeks and ensure the respect of Risk Appetite.
- Our risk management system provides daily monitoring of risk exposures, ensuring that any breaches of risk limits are promptly addressed.
- Counterparty Credit Exposures are also framed by a Counterparty Credit Limit Framework, and a daily of this framework is achieved.

- Scenario Analysis:
  We conduct regular stress tests analyses to evaluate the potential impact of adverse market conditions on our CVA. This includes historical scenarios and hypothetical stress scenarios.

Our institution has robust policies in place for hedging and mitigating CVA risks. CVA is framed by a guideline which also includes Credit Derivatives and FVA and are actively hedged within a defined risk framework. The Financial Market Risk Policy is ensuring coherent global governance and alignment with other Market Risks. It also sets links with Risk appetite, defines the escalation rules and the main roles and responsibilities.

In order to respect those risk frameworks, Front Office uses a variety of hedging instruments, including interest rate derivatives, credit default swaps indices, and foreign exchange forwards or options, to mitigate specific market risks. Hedging strategies are designed to offset potential losses from adverse market movements, ensuring that our overall risk exposure remains within acceptable limits. As some risks can only be proxy hedged, losses due to idiosyncratic issues on a particular counterparty may require ad-hoc management if probability of risk materialisation increases. But overall, this last risk shall be framed by Counterparty Credit Risk limits.

Our Risk Management team conducts daily reviews of CVA positions and the related risks. We provide regular reports to senior management highlighting the performance of our hedging strategies. Based on the results of our monitoring processes, we make necessary adjustments to our risk frameworks and hedging strategies to optimize the effectiveness of our risk mitigating measures. Our Risk Frameworks is at least reviewed annually.

Point (b) of Article 445a(1) CRR - An explanation whether the institution meets all the conditions set out in Article 273a(2); where those conditions are met, whether institution has chosen to calculate the own funds requirements for CVA risk using the simplified approach set out in Article 385; where institutions have chosen to calculate the own funds requirements for CVA risk using the simplified approach, the own funds requirements for CVA risk in accordance with that approach.

This is not applicable to Belfius Bank.

17.2. Template EU CVAB – Qualitative disclosure requirements related to CVA risk for institutions using the Standardized Approach

A description of the institution's structure and organisation of the internal CVA risk management function and governance including a description of the bank`s CVA risk management framework;

The CVA Risk management framework at Belfius is organized in line with the internationally recognised Three-Lines-of-Defence model, ensuring clear allocation of responsibilities, robust governance, and effective oversight.

The First Line is represented by Financial Market's XVA desk which effectively manages the CVA Exposures and implements the related hedging strategies. They are accountable for the results of the XVA desk and must behave within an approved CVA Risk Framework. Other desks are responsible for respecting the Counterparty Credit Limit Framework and ensure the initial CVA calculated by the XVA desk is charged to the clients when conducting a transaction.

The Second Line is represented by the Financial Market Risk department and is responsible for the definition and proposal of the Risk Frameworks (CVA risk and Counterparty Credit Risk) within which the First Line must operate. They are also responsible for continuous monitoring of the Counterparty Exposures, the CVA and their related Risks. They report events, results, risks, limit consumption, and other relevant metrics on daily basis and escalate the breaches to Front Office, Management and Committees according to the existing set of Guidelines and Policies. They conduct monthly Stress Tests on CVA.

The governance is centralized within the Financial Market Risk Policy and translated into a set of Guidelines. All limits defined in the Financial Market Risk Policy and the different guidelines are calibrated to meet the overall Risk Appetite Framework of the Bank which is approved at the Board of Director.

In terms of comitology, the oversight comes from the Financial Market Committee which may delegate some decisions to Risk & Result Committee for product approval, positions monitoring and limit approval; and the Fair Value Committee for the aspects related to Fair and Prudent Valuation (model approval, model change, model validation, value adjustment methods,..). Three members of the Management Board, of which CRO and CFO, are members of the Financial Market Committee. Clear escalation rules are established concerning the limit breaches.

Market Risk is also regularly reported to Management Board and Risk Committee amongst others through Quarterly Risk Reports.

A description of how senior management is involved in the CVA risk management framework;

Senior management is informed daily about XVA risks and results.

On a monthly basis, through the different committees in place, the risks related to XVA are presented and hedging strategies, if deemed inefficient, are challenged.

On an annual basis, the Guideline covering the CVA risks, and therefore the CVA risk framework itself is reviewed in Committees with senior Management.

The counterparty Credit Risk Framework is reviewed on an annual basis and approved by Management Board and Risk Committee.

Those different aspects ensure that the senior management is duely informed about the CVA risks and actively approving the framework covering this risk.

An overview of the governance of the CVA risk management framework (e.g documentation, independent control unit, independent review, independence of the data acquisition from the lines of business)

The first Line of Defence (Financial Markets) is responsible for the direct Management of the CVA risks and execution of the hedging strategy. They are accountable for the P&L of the XVA desk.

Within the First Line, the Modelling team is responsible for the definition of the CVA models which are submitted to Validation team which acts as a second line of defence.

The CVA risks and results are captured and monitored by FM Risk which acts as second line of defence. Within FM Risk, another team is also responsible for ensuring an independent capture or review of all data used to calculate the CVA on daily basis (credit spreads, interest rate risk factors,…). A final team within FM risk is also responsible for quantifying CVA value adjustments both for Accounting or Prudential requirements to ensure main valuation uncertainties related to CVA models are appropriately captured.

The head of XVA desks must sign off the CVA results monitored daily by the FM Risk team in charge of the monitoring.

FM risk is also responsible for the development and maintenance of the CVA Risk Framework and the related guidelines which are approved in the Financial Markets Committee and its subsidiaries.

Audit, as a third line of defence, ensures that this process is correctly documented, ensure independent reviews and is operationally correct.

18. Operational risk

Information requirements are met thanks to the quantitative tables EU OR1, OR2 and OR3 and the quantitative table ORA

18.1. Template EU ORA – Qualitative information on operational risk

The following statement expands on the information provided in the Risk Report – section Non-Financial Risk Management.

Risk Management Objectives and Policies

Operational Risk Management (ORM), as part of the broader Non-Financial Risk (NFR) Management, plays a central role in safeguarding Belfius' ability to deliver critical banking and insurance services under all circumstances. Its primary objective is to ensure the operational resilience, continuity, and security of the Group's activities, while proactively protecting the organisation, its customers, and other stakeholders from harm arising from inadequate or failed internal processes, human errors, system weaknesses, or external events.

NFR establishes the governance, framework, methodologies, and oversight mechanisms required to systematically identify, assess, monitor, mitigate, and report operational risks across the organization. It promotes a culture of accountability and risk awareness at all levels, ensuring that decisions are taken in line with Belfius' strategic objectives and the risk appetite set by the Board of Directors.

The non-financial risk management framework is built on principles of prudence, anticipation, and continuous improvement. It integrates emerging risk dimensions - such as cyber threats, ICT disruptions, third-party dependencies, fraud risks, and regulatory developments - and embeds them 'by design' across Belfius' activities, including strategic planning, product development and project management.

The Group applies a zero-tolerance stance toward internal fraud and maintains a strong commitment to regulatory compliance. This framework aligns with CRR/CRD (Basel), DORA, GDPR, EBA Guidelines, and other applicable national and EU legislations. The NFR framework is regularly reviewed and updated to reflect developments in the risk landscape, Belfius' operating model, and the regulatory environment

Structure and Organisation of the Operational Risk Management Function

The non-financial risk / operational risk management framework at Belfius is organized in line with the internationally recognised Three-Lines-of-Defence model, ensuring clear allocation of responsibilities, robust governance, and effective oversight.

- First Line of Defence: Business lines and support functions are responsible for managing operational risks inherent in their activities. This includes identifying, assessing and monitoring these risks, implementing internal controls, and ensuring compliance with regulations and policies. They are supported by dedicated Compliance, Audit and Operational Risk Managers (CORM), who act as the primary points of contact within the First Line for the application of the Risk Framework. In addition, Permanent Control functions (1.5LoD) provide ongoing assurance and execute control testing campaigns.

- Second Line of Defence: The independent Non-Financial Risk (NFR) function, embedded within the Risk Department and reporting to the Chief Risk Officer (CRO), is responsible for defining the operational risk management framework, providing oversight, and challenging the First Line. The NFR function brings together subject-matter experts in information security, data privacy, business continuity, third-party risk, and fraud risk management. It coordinates transversal risk processes, develops policies and methodologies, and ensures consistent and effective application of risk management practices across the Group.

- Third Line of Defence: Internal Audit provides independent assurance to the Board of Directors on the effectiveness of the operational risk management and internal control systems. Internal Audit conducts targeted audits, evaluates the adequacy of controls, and issues recommendations for improvement.

A robust committee structure is also in place, involving the appropriate levels of management. This includes the Non-Financial Risk Committee at Management Board level, as well as several expert committees such as the Information Security Steering Committee, the Third-Party Risk Management Committee, the Anti-Fraud Steering Committee, the Physical Security Steering Committee, the Data Privacy Committee, the New Product Approval Process Committee, and the Internal Control Forum. These committees meet on a regular basis among others to monitor risk exposures, review operational risk events and incidents, update policies, track action plans, and address emerging threats.

Scope and Nature of the Measurement System

Risk Identification and Assessment

Belfius uses a combination of quantitative and qualitative methods to measure operational risk including but not limited to

- Self-Assessment of Risks and Internal Controls: Business units periodically perform self-assessments of their risks and internal controls, based on the COSO methodology, to determine the level of internal control and provide an overview of key risk areas in their activities. Supported by the NFR function, these exercises help identify vulnerabilities and prioritise mitigation actions.

- **New Product Approval Process:** The New Product Approval Process (NPAP) ensures that all new or materially changed functions, products, services, or initiatives undergo a structured ex ante risk assessment before implementation.

- **Control Testing:** Belfius' Permanent Control framework ensures the continuous evaluation of internal controls. Permanent Control campaigns are conducted to test the design and effectiveness of key controls on at least a three-year cycle - and more frequently where required - and to identify potential weaknesses, enabling timely remediation by the first line.

- **Incident and Loss Data Collection:** Operational risk incidents, including near-misses and actual losses, are recorded in a centralized database. The collected data is categorized according to Basel event types, enabling detailed analysis to identify root causes and trends. This approach not only enhances the bank's ability to respond to operational risks but also strengthens its overall risk management framework by providing actionable insights derived from real incident data.

- **Key Risk Indicators:** The Risk Appetite Framework, which covers Operational Risk and broader NFR alongside all other risk types, provides a structured approach to defining and monitoring the risk profile, control environment, and tolerance levels for potential impacts. A set of Key Risk Indicators is monitored to track risk exposures and provide early warning signals.

- **Scenario Analysis and Stress Testing:** The bank performs regular scenario analyses and stress tests to estimate the potential impact of extreme but plausible events, such as cyber-attacks or third-party failures, on its operational risk profile and capital requirements. These exercises are conducted to assess the adequacy of controls and capital buffers.

Regulatory Capital Calculation

Belfius applies the Standardised Approach (SA) for calculating regulatory capital requirements for operational risk management, in line with CRR and EBA guidelines.

Scope and Nature of the Operational Risk Reporting Framework

Internal Reporting

Operational risk reporting at Belfius is designed to ensure transparency, timely escalation, and informed decision-making:

- **Regular Reporting flows** for Management Board, Risk Committee, and/or Board of Directors.
    - **Quarterly Risk Report (QRR)** provides an overview of operational risk across the bank, structured by operational risk type. They emphasize key issues and emerging risks, track developments over the past quarter, and encompass incident trends, risk exposures.
    - **Quarterly Risk Appetite Framework Report** focuses on breaches of risk appetite, with action plans and progress updates.
    - **NFRC meetings:** The Management Board regularly convenes as the NFRC committee, where NFR/ORM matters are addressed, including activity reporting, RAF monitoring, policy reviews, operational risk losses, and other related topics.
    - **Internal Control Report** is submitted annually to the Board of Directors - as part of the Management Committee report on the effectiveness of organisational measures. It details the effectiveness of the internal control system and major risk areas.

- Ad Hoc Reporting:
    - Immediate escalation of major incidents (e.g., severe fraud, cyber-attack, or regulatory breach) to the relevant committees.
    - Dedicated post-mortem reports for notable events, including root cause analysis and remediation actions.
- Committee Reporting:
    - NFR/ORM-related expert committees (e.g., Anti-Fraud, Information Security) receive tailored reporting on notable incidents, threshold breaches, trends, and the effectiveness of controls within their respective area.

Regulatory and External Reporting

Belfius has processes and controls in place to meet the regulatory framework, including reporting regulatory requirements, such as COREP, Pillar 3 disclosures, and ad-hoc requests from the National Bank of Belgium and European authorities.

Policies and Strategies for Risk Mitigation and Risk Hedge

Belfius employs a comprehensive, layered approach to risk mitigation and hedging. Strong safeguards are central to this strategy, supported by well-established policies and procedures across key operational domains, including information security, data privacy, business continuity, and third-party management.

Preventive and Detective Controls

Belfius implements a range of preventive and detective controls to mitigate operational risks:

- Internal Controls: Segregation of duties, automated process controls, reconciliations, and regular control testing are in place to reduce the likelihood and impact of operational risk events.
- Fraud and Cybersecurity: Advanced detection tools, real-time monitoring, and rapid response protocols are deployed to address fraud and cyber threats. The bank continuously updates its security framework in line with evolving risks and regulatory expectations.
- Business Continuity and Crisis Management: Comprehensive business continuity and disaster recovery plans are maintained, regularly tested, and updated to ensure operational resilience in the face of major disruptions.

Corrective Actions and Remediation

When incidents or vulnerabilities are identified, comprehensive corrective action plans are developed, monitored, and reported to management. In addition, specialized crisis response teams and established communication protocols ensure a swift and coordinated reaction to significant incidents.

Risk Transfer

Where appropriate, Belfius transfers certain operational risks through insurance policies covering fraud, cyber incidents, and other major exposures, thereby complementing its internal control framework.

Continuous Improvement and Risk Culture

The bank promotes a solid risk culture and continuous improvement through among others regular training, awareness initiatives, systematic reporting, policy updates, and lessons learned from incidents.

The effectiveness of mitigation measures is assessed through internal audits, control testing, and independent reviews.

Conclusion

Belfius' operational risk management framework is comprehensive, robust, and aligned with regulatory requirements and industry best practices. It ensures that operational risks are identified, measured, monitored, and mitigated effectively, supporting the bank's strategic objectives and safeguarding the interests of all stakeholders.

19. Interest rate risk of non-trading book activities

Information requirements are met thanks to the quantitative table EU IRRBB1 and the quantitative table IRRBBA.

19.1. Template EU IRRBBA – Qualitative information on interest rate risks of non-trading book activities

A description of how the institution defines IRRBB for purposes of risk control and measurement

The continuous assessment of IRRBB relies on the management of key models and assumptions related to the two key dimensions of IRRBB:

- The economic value is the present value of the bank's expected net cash flows (that are defined as the difference between the present value of asset cash flows, the present value of liability cash flows and the value of hedging derivatives) under run-off assumptions. One of the objectives of ALM interest rate risk management is to protect the rate related economic value of the bank. Economic value is primarily measured through a Basis Point Value (BPV) metric, showing the impact of parallel curve shifts.
- Earnings perspective is taken into account by looking at the sensitivity of the IFRS accounting result to interest rate movements. Earnings are primarily measured through Earnings at Risk (EaR), defined as the difference in net interest income between a base scenario and an alternative scenario."

A description of the institution's overall IRRBB management and mitigation strategies

With 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 - macro-hedging approach - thoughtfully considering natural hedges available in the bank balance sheet. Mitigation actions based on a granular monitoring process of key components and scenario-thinking assessments to proactively manage the change of Interest Rate environments are continuously ongoing.

The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB

Belfius performs monthly computations of the EaR and BPV and quarterly computations of the regulatory Supervisory Outlier Tests. Furthermore, alternative scenarios for both value and earnings are discussed on a regular basis at the ALCo and Management Board. Furthermore, reverse stress tests are conducted under extreme severity assumptions yearly for both NII (Net interest income) and EVE (Economic Value of Equity).

A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)

Belfius computes monthly the EAR on 5Y for parallel shock (-100bps, +100bps), the bpv (in EUR millions/10bps) and the change in EV for the EBA rate scenarios. At least yearly, Belfius computes the NII of the funding plan under different scenarios and reverse stress test under extreme severity assumptions.

A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)

This is not applicable to Belfius Bank.

A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable)

Same as the second item of 19.1.

A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)

For the change in economic value, Belfius uses the risk-free rate at conclusion of the deal without commercial margin and includes also the following options: mortgage prepayments - Cap on Floating rate mortgages.

For NII, Belfius assumes that the balance sheet volumes remain constant. Maturing cash flows are renewed with maturity such that the risk profile does not change. Belfius also takes into account the main following modeling and parametric assumptions: Mortgage Prepayments, Caps of floating rate mortgages, Tariff model on savings accounts and 0% for retail payment accounts, Dependance of commercial margins on asset with the rate scenario.

Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures

Our ΔEVE for a +200 bps rate shock has improved. This is explained by the increase in the stable layer for our sight deposits. Furthermore, our IRRBB hedging strategy is anchored in the principle of concluding fixed rate payer macro-hedges to limit the loss of EV in the case of rate hikes and short-term receiver swaps to protect revenues.

Disclosure of the average and longest repricing maturity assigned to non-maturity deposits

The average repricing maturity of all NMDs is 3.54Y and the longest maturity assigned to NMDs is 20Y (stable layer).

20. Remuneration policy

The data regarding this section will be published later.

21.Encumbered and unencumbered assets

Information requirements are met thanks to the quantitative tables EU AE1, AE2 and AE3 and the quantitative table AEA.

21.1. Template EU AE4 – Accompanying narrative information

General narrative information on asset encumbrance

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. 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).

Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.

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 2025 (point-in-time), the sources of asset encumbrance (matching liabilities) mainly consisted of:

- own covered bonds issued (EUR 6.4 billion);
- derivatives exposures (EUR 2.4 billion);
- repurchase agreements (EUR 1.7 billion).

22. ESG risks

Information requirements are met thanks to the quantitative tables Template 1 to Template 5 and the quantitative tables Table 1 to Table 3.

Regarding the templates 6 to 10, On 22 May 2025, the European Banking Authority (EBA) launched a public consultation on draft amendments to the European Commission's Implementing Regulation on Pillar III disclosures (Regulation (EU) 2024/3172), aiming to streamline and simplify ESG disclosures.

Among the key changes proposed, the EBA has advised the suspension of disclosure obligations for templates 6 to 10 – covering the Green Asset Ratio (GAR), the Banking Book Taxonomy Alignment Ratio (BTAR), and other mitigating measures – for large and listed institutions, until 31 December 2026. This comes in the context of the European Commission's Omnibus I package amending, among others, the EU Taxonomy framework.

The EBA has advised that the suspension proposed should be applied starting from the publication of the consultation paper (22 May 2025, first reference date 30 June 2025), pending the entry into force of the revised Implementing Technical Standards (ITS). This was further clarified in EBA public hearing on this matter held on 26 June 2025 to which Belfius participated.

Finally, on 6 August 2025, the EBA issued a no-action letter advising national competent authorities not to prioritize the enforcement of the disclosure and the collection of templates 6 to 10 during this transitional period.

In this context, Belfius has taken the decision not to publish templates 6 to 10 of the ESG Pillar III disclosures until the 31 December 2026.

The following templates are not applicable now and have been postponed until 31/12/2026 (ITS EBA ESG from 22/05, confirmed by the NBB):

- Template 6 - Summary of GAR KPIs
- Template 7 - Mitigating actions: Assets for the calculation of GAR
- Template 8 - GAR
- Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy
- Template 9.1 - Mitigating actions: Assets for the calculation of BTAR
- Template 9.2 - BTAR %
- Template 9.3 - Summary table - BTAR %

However, Belfius remains committed to delivering transparent ESG disclosures and has prepared the other disclosures required by the European Commission Implementing Regulation on Pillar III disclosures.

22.1. Template 1 – Qualitative information on Environmental risk

Business strategy and processes: Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning

Belfius has designed an ambitious multi-year ESG Action Plan, updated every year, aimed at gradually integrating ESG considerations in both its business strategy and its risk management framework (in line with regulatory and supervisory expectations). The timely implementation of the critical actions outlined in this action plan is monitored on a quarterly basis.

Climate and environmental risks are also addressed in Belfius' strategy through policies (such as the Climate and Environmental Policy and the Transition Acceleration Policy).

Belfius has defined its ESG strategic priorities end 2025 for the 5 following years. To Belfius, all three components of sustainability (E,S,G) are equally important and at the core of its purpose: “Being Meaningful and Inspiring for Belgian Society. Together.” Using this purpose as a compass, Belfius has woven sustainability into its 2025 Inspire strategy and articulated it around two guiding principles: “Walk the talk” and “Customers in the driver’s seat” (of their sustainability ambition with an adapted range of meaningful solutions, products and services). As such, Belfius’ goal is to inspire our customers to accomplish their sustainability ambitions and, in doing so, to create, together with our customers, the greatest possible impact.

Belfius is further integrating environmental and climate-related considerations into its financial planning process and Risk Appetite Framework (see Sustainability Statement 2025, sections 1.4.).

Belfius regularly conducts various climate risk assessments which feed its business strategy, including climate and environmental risks materiality assessments to evaluate the impact of a wide range of climate and environmental risks drivers on the bank's main risk categories (see Sustainability Statement 2025, sections 2.2.2.).

Details on the way Belfius integrates ESG considerations in its business strategies (meaningful financing, insurance and investment) can be found in Section 1.2. of the Sustainability Statement 2025.

Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

Belfius' objective is to limit adverse environmental impacts stemming from both its own operations and its activities and generate a positive contribution to all segments of the Belgian economy and society (by supporting the transition to a low-carbon, climate resilient and environmentally sustainable economy), while ensuring its long-term resilience, profitability and growth. This entails adequately managing risks and opportunities.

Even if robust quantification and sufficient time to gain a perspective on the situation is still lacking, financing limits and targets are gradually being included in the yearly updated Risk Appetite Framework and Financial Plan (see Sustainability Statement 2025, section 1.4.).

Belfius has set decarbonization targets for its own emissions and for its financed emissions.

Paris Agreement Capital Transition Assessment (PACTA) methodologies are being applied to measure the degree of alignment of our lending and investment portfolios with net zero decarbonation pathways.

Belfius adopted a Transition Acceleration Policy in 2021 which restricts financing to economic activities considered wholly or partially non-sustainable.

Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities

Belfius' investment and financing approaches are guided by the Transition Acceleration Policy (see Sustainability Statement 2025, section 1.6 and section 2.).

Forward-looking, Belfius is analyzing how its Ambition Loans and lease products could be aligned to the EU Taxonomy criteria (see Sustainability Statement 2025, section 2.3.). Details about the current degree of alignment of our activities with the EU Taxonomy can be found in Section 2.3 of our Sustainability Statement 2025.

Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks

Belfius aims to support counterparties in their journey throughout their transition to a low-carbon economy. To this end, Belfius' interactions with customers, suppliers, business partners and internal stakeholders are guided by the Transition Acceleration Policy, the Sustainability Code of Conduct for Suppliers, and the Climate and Environmental Policy (see Sustainability Statement 2025, sections 2.).

Belfius continuously engages with its corporate clients on the topic of sustainability. In the context of our ESG Corporate Ambition program, clients are encouraged to set quantified ambitions in the field of ESG and are rewarded when they achieve their targets. Clients are also invited to fill in an ESG questionnaire, allowing Belfius to collect relevant ESG data and determine their ESG (risk) profile via an ESG score. Over 600 groups/companies have already been allocated such an in-house ESG score.

Governance: Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels

Belfius Bank's and Belfius Insurance's Boards of Directors define and oversee the implementation of the (ESG) strategy, objectives, general policy (including the TAP), risk appetite (including climate and environmental risks) and risk approach. A dedicated ESG governance has been set up (see Sustainability Statement 2025, section 1.4.). An ESG Risk Management Framework has also been drafted in 2023 and updated in 2024. It gives an overview of the tools and processes used to identify, assess, quantify, monitor and manage ESG risks within the organization and describes the roles and responsibilities of the three lines of defense in ESG risk management (see Sustainability Statement 2025, section 1.4.).

Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organizational structure both within business lines and internal control functions

The terms of reference of the Boards of Directors of Belfius Bank, Belfius Bank's Risk Committee and Management Boards have been adapted to explicitly integrate ESG responsibilities, including climate and environmental risks (see Sustainability Statement 2025, section 1.4.).
Each line of defense takes on its traditional role while extending it to climate and environmental risks.

Organization-wise, Belfius opted for a combination of specialized teams and 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, on the other hand.
There are mainly 3 dedicated teams:

- The ESG Central Team, headed by the Head of ESG, is Belfius' competence center on ESG. The team leads ESG-related projects (such as the computation of Belfius' carbon footprint and the design of Belfius' decarbonization targets), monitors the ESG landscape and develops ESG concepts, with the exception of risk-specific items.
- The ESG & Emerging Risk Team is in charge of setting up a comprehensive ESG risk management framework in collaboration with other groupwide risk departments. It performs analyses aimed at identifying vulnerable portfolio and assessing the potential impact of climate and environmental risks. It also oversees the integration of ESG considerations in risk processes (risk appetite limits, lending criteria, collateral valuation, etc).
- The ESG Data Team develops and structures ESG data sources and generates calculation engines and regulatory reportings.

The internal audit function carries out missions on selected ESG (risk) topics on a yearly basis and issues recommendations to improve processes and practices.

Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels

The management of climate and environmental risks is implemented through dedicated teams and ESG champions deployed to assist in the identification, assessment, measurement, monitoring, management and reporting of climate and environmental risks. More specifically, the ESG & Emerging Risks Team is, amongst other tasks, in charge of overseeing the implementation of the risk components of the ESG Action Plan and developing a comprehensive ESG risk management framework. The ESG Steering Committee oversees the development of tools to assess and manage climate-related risks. The legal department executes an ESG regulatory watch (see Sustainability Statement 2025, section 1.4.). The allocation of roles and responsibilities has been further described in the ESG Risk Management Framework drafted in 2023 (see Sustainability Statement 2025, section 2.2.).

The management body is informed of the evolution of the ESG risk profile of Belfius through recurrent internal reports (including dedicated ESG KRIs), as well as regular meetings with the Chief Risk Officer and ad hoc presentations to the Management Board and the Risk Committee about (among others) the results of analyzes, the status of the development of new tools and the implementation of additional mitigating actions.

Lines of reporting and frequency of reporting relating to environmental risk

Performance metrics relating to ESG risks are reported quarterly to the Management Bodies via the Quarterly Risk Report and the Risk Appetite Framework reports. Moreover, ESG topics are addressed on an ad hoc basis by Belfius Bank's Management Board and Risk Committee and the status of ESG-risk related projects (such as the ESG score, the climate scenario analysis tools and the climate stress tests) are discussed at the ESG Steering Committee.

Alignment of the remuneration policy with institution's environmental risk-related objectives

Climate risk indicators are being integrated into Management's variable remuneration (see Sustainability Statement 2025, section 1.4.).

Risk management: Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework

ESG risks are considered top risk. In the development and refinement of its strategy and risk appetite, Belfius Bank identified material climate-related risks for banks in the short, medium and long term through the Climate and Environmental Risk Materiality Assessment exercise (CERMA) conducted in 2023 and updated in 2025. The outcome of the CERMA highlights that credit risk is expected to be the most impacted risk dimension through Belfius’ retail and non-retail portfolio. Liquidity and market risk are not considered to have material impacts as liquidity risk is considered a second-round risk, while market risk impact is considered limited due to Belfius’ current trading book’s composition. C&E risks will not materially alter Belfius’ level of operational risk as sufficient mitigating measures are in place to guarantee the continuity of the bank. ESG risks are included in Belfius’ risk inventory and increasingly monitored. Belfius will continue to gradually integrate environmental and climate-related considerations into its strategic and financial planning process and Risk Appetite Framework (RAF) (see Sustainability Statement 2025, section 1.4).

A clear ESG Risk Management Framework has also been issued in the meantime (see Sustainability Statement 2025, section 1.4.).

Climate scenario analysis is used to quantify the potential financial impact of relevant climate and environmental risk drivers on Belfius' solvency, liquidity and profitability. They cover the time horizon of strategic planning and capital allocation (5 years) and even go beyond (up to 10 and in some cases 30 years).

Definitions, methodologies and international standards on which the environmental risk management framework is based

Several international standards and methodologies are applied:

- NGFS scenarios are used for climate stress tests.

- PCAF methodology is applied for the calculation of own carbon footprint
- Belfius resorts to the PACTA methodology for the Paris alignment assessment of the portfolio

Furthermore, Belfius' aim is to gradually align with the expectations outlined in the ECB Guide on the management of Climate and Environmental Risks (November 2020) and the EBA guidelines on the management of ESG risks (January 2025).

In order to enhance our processes, we also rely on reputable frameworks (such as UNEP FI and TCFD), insights from leading organizations (such NGFS and IEA), recommendations from supervisors (ECB), observed market (best) practices, as well as academia and scientific research (see Sustainability Statement 2025, section 2.2.2.).

Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels

Climate risk assessments are performed regularly to assess Belfius' financial and operational resilience against climate and environmental risks. High level materiality assessments at portfolio level are supplemented by deep dive exposure analysis, scenario analysis and climate stress tests, as well as counterparty level assessments.

These processes allow Belfius to identify relevant risk drivers and sensitive portfolios, assets, activities and counterparties, assess their vulnerability to climate-related risks, quantify the potential financial impact in case of risk materialization, verify its resilience and capital adequacy, take the appropriate risk mitigation measures, monitor the evolution of its risk profile and disclose the results of these assessments. Those processes also guide our business strategy.

Belfius developed a methodology to carry out a climate and environmental risks materiality assessment (CERMA), which was applied over the course of 2023 and updated in 2025 to evaluate the impact of the main climate and environmental risk drivers across the bank's traditional risk categories (credit risk, market risk, liquidity risk, strategic risk and operational risk) through various transmission channels and over different time periods (see Sustainability Statement 2025, sections 2.2.2.).

Dedicated climate scenario analysis tools have been developed, including a mortgage simulation tool for physical and transition climate risks as well as a tool simulating the impact of the transition on E&E counterparties' financial statements (see Sustainability Statement 2025, section 2.2.2.)

Specific ESG-related KRI are monitored e.g. share of climate sensitive exposures, fossil fuel exposures and share of collateral with bad EPC (see Sustainability Statement 2025, sections 2.2.2.).

Key mitigating measures include the adoption of a policy which restricts financing for non-sustainable activities (TAP) and limits to our exposure to fossil fuel activities and collateral with poor energy performance.

Climate and environmental considerations are also embedded in all stages of the credit granting and investment underwriting process and affect other policies such as pricing and collateral valuation.

Sector specific layers driven by climate considerations are included in the cost of risk calculations.

A high-level materiality assessment of Belfius' exposure to biodiversity impactful and dependent sectors has been realised.

Belfius also carries out climate stress testing on a yearly basis, as a tool to quantify climate and environmental risks in a forward-looking manner and verify capital adequacy.

Finally, Belfius developed in-house ESG scores to assess the ESG (risk) profile of our corporate counterparties and thus classify them/identify the riskiest from an ESG perspective.

Activities, commitments and exposures contributing to mitigate environmental risks

Belfius aims to support enterprises in their entire ESG journey, including in their climate mitigation actions, through a tailor-made tool that guides the users towards actions on the one hand and dedicated product offers to finance those actions on the other. More information on the ways ESG considerations is currently integrated in business strategies and Belfius promotes meaningful financing, investment and insurance can be found in Section 1 of the Sustainability Statement 2025.

Belfius has also developed a Transition Acceleration Policy, limiting financing 'controversial' or 'sensitive' sectors. This sectoral policy is regularly revised. (See Sustainability Statement 2025, section 2.).

Belfius has defined decarbonization targets for its own operations and is in the process of designing similar targets for its financed emissions.

Belfius continues the integration as well of ESG considerations in its credit granting and investment underwriting processes (including pricing policy, collateral valuation,..).

Additional information on the vast array of mitigation measures can be found in Section 2.2.4. of the Sustainability Statement 2025.

Implementation of tools for identification, measurement and management of environmental risks

Climate risk scenario analysis tools have been developed, including a tool that projects the impact of climate risk factors (such as higher CO2 and energy costs or required green transition investments) on the financial statements of companies and another tool which simulates the evolution of the risk profile of the mortgage loan portfolio by quantifying the potential impact of changes in EPC ratings, energy prices, renovation pace and flood risk on collateral asset value and customers' creditworthiness.

Belfius also considers climate stress tests a fundamental part of its stress test framework. Besides its participation in the 2022 EBA climate stress tests and the 2024 Fit-For-55 climate risk scenario analysis, Belfius Bank integrated climate scenarios in its internal stress tests since 2022.

Furthermore, even if the internal rating system for corporates already includes ESG considerations, Belfius also started assigning ESG scores to its corporate counterparties with the help of an in-house methodology/engine. These scores reflect, among others, the ESG awareness, maturity and performance of those counterparties (see Sustainability Statement 2025, section 4.1.3.).

Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile

All climate risk assessments performed to date (including the Climate and Environmental Risks Materiality Assessment, the supervisory climate stress test and scenario analysis conducted in 2022 and 2024 and the yearly internal climate stress tests carried out since 2022) show that - although deemed material - climate and environmental risks do not pose a significant threat to Belfius' profitability, solvency or liquidity under the given scenarios for the time being. The potential financial impact arising from those risks should be fully manageable, especially considering existing and future mitigation actions aimed at increasing our resilience against those risks. Belfius therefore remains confident 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 sound balance sheet structure will ensure its long term resilience and growth (see Section 1.4. of the Sustainability Statement 2025).

Data availability, quality and accuracy, and efforts to improve these aspects

Belfius is aware of the importance of the ESG data challenge. In order to overcome any potential issues, a dedicated ESG Data Program was established in 2020, aimed at identifying and addressing our data needs, gaps and processes. Following this, in 2023, we created an ESG Data Collection Strategy and ESG Data Management Framework, including key capabilities, such as data capture, governance, storage, and management, of which the implementation is still ongoing. Belfius relies on external/third party data providers for some ESG data but also engages with customers and suppliers through questionnaires in order to collect additional data. Finally, Belfius tries to close data gaps with the use of proxies/estimations (such as the EPC proxy).

In 2025, minimum limits relating to Greenhouse gas (GHG) emissions data coverage for corporate clients and Energy Performance Certificate (EPC) data coverage for mortgage loans have been set in the Risk Appetite Framework (RAF). The target of these indicators is quarterly evolving. Breaches to those limits trigger the internal escalation process foreseen for all RAF indicators and lead to corrective actions.

Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits

Belfius aims to reduce the negative impact of its activities by discontinuing or limiting its support for non-sustainable activities, including activities that harm the environment. Belfius has accordingly developed its Transition Acceleration Policy (TAP), limiting financing to 'controversial' or 'sensitive' sectors. Selected activities are directly excluded, while for others, specific criteria are implemented to determine whether they can be supported towards a sustainable economic transition, or conditions that relate to the sustainability policy of companies are imposed (see Sustainability Statement 2025, section 1.2.). Moreover, limits relating to the share of exposures to fossil fuel activities within our banking portfolio and the share of mortgage loan production collateralized by real estate assets showing very poor energy performance have been set in the Risk Appetite Framework (RAF) (see Sustainability Statement 2025, section 1.4.). Those limits are reviewed on a yearly basis. Breaches to those limits trigger the internal escalation process foreseen for all RAF indicators and lead to corrective actions.

Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

Belfius endeavors to systematically identify all climate-related and environmental risk drivers that are or might be material in the future. This includes both (acute and chronic) physical risks and transition risks (driven by policy, technology and market preferences), as well as legal and reputational risks. Covered transmission channels include micro-economic transmission channels (such as property damage, business disruptions, loss of income, higher costs and investments, lower profitability and asset values) and macro-economic transmission channels (such as price increases and labor productivity decrease). The impact of those risk drivers on all traditional prudential risk categories (credit risk, market risk, liquidity risk, strategic and business risk and non-financial risk) has been thoroughly analyzed in the context of our 2023 and 2025 Climate and Environmental Risks Materiality Assessment. For more details regarding the way this assessment was performed and its results, please refer to Section 2.2.2. of the Sustainability Statement 2025.

22.2. Template 2 – Qualitative information on Social risk

Business strategy and processes: Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning

Belfius attaches great importance and devotes great care to its Human Capital (see Sustainability Statement 2025, section 3.1.). Human resources and compliance policies also help to ensure that Belfius acts as a highly customer-oriented organization (see Sustainability Statement 2025, section 3.) in which data privacy and security are paramount. Belfius has developed its Transition Acceleration Policy (TAP), limiting a.o. financing to 'socially harmful' sectors (tobacco, gambling). Belfius is a leading financial institution in the Belgian public and social sector. For instance, Belfius is supporting basic services, such as schools or social housing, in implementing energy-efficient infrastructure (see Sustainability Statement 2025, section 1.5.3.). Belfius collaborates with WeSmart to facilitate energy sharing. Also, Belfius has selected Affordable energy-efficient housing as one of its PRB impact targets (see Sustainability Statement 2025, section 1.6.). As from July 2024 it is possible to take out a 30-year mortgage loan for energy-efficient main residences (see Sustainability Statement 2025, sections 1.5.3.). When developing new products and services, the NPAP - procedure, in which the Central ESG team is a stakeholder, applies (see Risk Report 2025).

The latest political and legal evolutions in Belgium, Europe and worldwide are followed through the legal watch of the ESG legal advisor. The evolution of other social risks, such as the evolution in technology (e.g. impact of AI on society), demographic trends (e.g. aging population) and stakeholders' preferences (e.g. client preferences) are in the scope of the constant monitoring of ESG trends performed by the ESG Expertise team.

Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

The majority of Belfius employees are covered by collective bargaining agreements. Belfius actively works on being an inclusive company (see Sustainability Statement 2025, section 3.1.2.). Belfius attaches great importance to the well-being of its employees and goes beyond the risk assessments and approaches that are required by Belgian law (see Sustainability Statement 2025, sections 3.1.2).

Belfius expects its Suppliers and customers to uphold Human Rights and has assessed its upcoming due diligence obligations and performed a Human Rights Impact assessment (see Sustainability Statement 2025, sections 3.2.). This resulted in an updated version of the Human Rights Policy.

Several types of controls and limits are in place to address social risks. With regards to socially harmful companies, the KYC process includes, among others, a screening of entities for Sanctions, Embargoes, Terrorist Financing, Money Laundering and Adverse Media. Through the Anti-Money Laundering monitoring, Belfius can also spot socially reprehensible behaviors such as tax and social fraud. Belfius applies a zero-tolerance policy for all forms of fraud. Other criminal activities (such as drugs and human trafficking) are also covered by this screening process. Companies severely violating UN Global Compact Principles, including principles on Human Rights, Labor Rights and Corruption, are excluded from any form of financing as well. This condition is reflected in the TAP which also excludes or restricts commercial relationships with companies performing controversial activities, activities that might harm social objectives or activities that are subject to public scrutiny (such as tobacco, gambling and unconventional weapons). ESG controversy monitoring processes are also being enhanced through the set-up of additional adverse media screening capabilities. Belfius has put processes and controls in place to ensure the protection and privacy of our customers' data. Belfius transparently communicates with its customers on what they can expect in terms of Privacy of their personal data (see Sustainability Statement 2025, section 3.2.). Regarding the protection of vulnerable clients, dedicated actions have been taken to prevent over-indebtedness (mortgages) and discrimination (loan granting decisions).

Finally, Belfius is convinced that the green transition should be socially inclusive, which can be seen in the various actions (see Sustainability Statement 2025, section 1.2.).

Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities

Both Belfius Insurance and Belfius Asset Management developed engagement approaches in line with their activities (see Sustainability Statement 2025, section 1.6.). At Belfius, key suppliers are expected to take an ESG assessment with EcoVadis. In preparation of DORA and the upcoming CSDDD, Belfius Procurement is investing in the development of its supplier risk approach. Sustainable procurement is supported through the Belfius General Terms and Conditions and the Sustainability Code of Conduct for Suppliers (see Sustainability Statement 2025, section 4.1.3.).

Governance

Belfius is fully committed to its customers and their love and relies on its employees to deliver on its mission and human - digital Value propositions. When onboarding new customers, the "Know Your Customer" questionnaire helps us assess the potential risk associated with them (e.g. reputation risk, compliance risks as explained in Sustainability Statement 2025, section 4.). The management body is responsible for setting the social strategy, policies and risk framework at Belfius (see Sustainability Statement 2025, section 3.). Belfius' ESG Risk Management framework also covers social aspects (see Sustainability Statement 2025, section 1.).

Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:

- Activities towards the community and society

Belfius plays a key role in structuring and financing major infrastructure investment projects in Belgium (see Sustainability Statement 2025, sections 1.2.). Belfius offers social products for more vulnerable Belgians, next to other initiatives to improve accessibility (see Sustainability Statement 2025, section 3.2.2.). Belfius works with reputable partners (selected by the Brand Committee) to help socially disadvantaged people (see Sustainability Statement 2025, section 3.2.).

- Employee relationships and labour standards

The majority of Belfius employees are covered by collective bargaining agreements. Belfius believes in constructive interaction with its social partners. As required by Belgian law, Belfius executes Health and Safety risks assessments on its operations and has a dedicated Health and Safety policy (see Sustainability Statement 2025, sections 3.2.).

- Customer protection and product responsibility

As a customer-oriented banking and insurance company, we know that consumer protection is of the utmost importance. Accordingly, Belfius follows the codes of conduct centered around customer relations and quality established by Febelfin and Assuralia (see Sustainability Statement 2025, section 3.2.).

- Human rights

Belfius' Human Rights Policy, Sustainability Code of Conduct for Suppliers and Transition Acceleration Policy were validated by the Management Board and Board of Directors (see Sustainability Statement 2025, section 3.2. for more information on these policies). On privacy, a specific Privacy Charter in line with GDPR exists (see Sustainability Statement 2025, section 3.1.).

- Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body

Status of compliance and non-financial risks (such as privacy and fraud risks) at Belfius are periodically reported to management bodies and the board (see Sustainability Statement 2025, sections 1.4.). The Human Resources division monitors and reports a selection of metrics on a quarterly basis too.

- Lines of reporting and frequency of reporting relating to social risk

GDPR reporting is discussed in the GDPR Steering Committee on a quarterly basis and summarized for management (see Sustainability Statement 2025, section 3.1.). Likewise, the Human Resources division monitors and reports a selection of metrics on a quarterly basis too.

- Alignment of the remuneration policy in line with institution's social risk-related objectives

Belfius measures the satisfaction of its customers on a regular basis (see Sustainability Statement 2025, section 3.2.). Employee engagement is a metric for senior executives' variable remuneration (see Sustainability Statement 2025, section 1.4.2.).

Risk management: Definitions, methodologies and international standards on which the social risk management framework is based

To underline our commitment to society, Belfius (as well as its insurance or asset management subsidiaries) has joined as a signatory a number of voluntary but leading (inter)national initiatives and conventions in the area of responsible business conduct and sustainable banking and insurance: the United Nations Global Compact, the United Nations Environment Program Finance Initiative (UNEP FI), the Principles for Responsible Banking and the UNEP FI Principles for Sustainable Insurance and the UN Principles for Responsible Investment (UNPRI). Belfius' annual sustainability report is prepared under the Corporate Sustainability Reporting Directive (CSRD). Belfius is also committed to respect and uphold the following standards and expects its counterparties (employees, suppliers, customers, …) to abide by those standards as well: the International Bill of Human Rights, the International labour organization's Declaration on Fundamental Principles and Rights at Work (ILO), the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprise with in particular the recommendations for Responsible Business Conduct in the Financial Sector.

Processes to identify, measure and monitor activities and exposures (and collateral wher applicable) sensitive to social risk, covering relevant transmission channels; activities, commitments and assets contributing to mitigate social risk; Implementation of tools for identification and management of social risk; description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits; description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

Belfius is a Belgian company, supporting the Belgian economy by financing individuals, public entities and predominantly Belgian companies (mostly small and medium-sized companies). These companies are all submitted to Belgian social and labour laws, which are amongst the most developed in the world. Nevertheless, social risk could still occur, especially for customers that engage in international trade. Belfius has taken initiatives to mitigate these social risks with e.g. anti-money laundering and (tax) fraud prevention measures (see Sustainability Statement 2025, section 4.1.). Social risk is also included in the ESG Risk Management Framework (see Sustainability Statement 2025, section 1.4.). With regards to its own Human Capital, Belfius goes beyond requirements of Belgian law (see Sustainability Statement 2025, section 3.1.1., 3.1.2). The UNEPFI Impact Analysis Tool is one of the tools used by Belfius to identify and assess social risks.

22.3. Template 3 – Qualitative information on Governance risk

Governance: Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics

Belfius is in the process of reviewing its current governance and organization on ESG as described in the Sustainability Statement 2025, section 1.4. Belfius' internal compliance policies reinforce Belgian legislation on ethical business conduct (e.g. anti-bribery, management of conflicts of interests, …) (see Sustainability Statement 2025, section 3.1.). When developing new products and services, the NPAP - procedure, in which the Central ESG team is a stakeholder, applies (see Risk Report 2025, section VIII.). When onboarding new customers, the "know Your Customer" questionnaire enquires about the type of activity and transparency on the way of doing business as well as potential reputation issues (see Risk Report 2025, section VIII.8.). Potential customers that cannot be TAP - compliant are not onboarded (see Sustainability Statement 2025, section 2.).

Institution's accounting of the counterparty's highest governance body's role in non-financial reporting

Most of Belfius' professional customers do not have to publish a sustainability report under the CSRD. For those who do, the information provided is a potential source of information when analyzing a loan request, irrespective of the stated level of involvement of Management Board or Board of Directors. Material changes to Belfius' policies are approved by the Management Board or the Board of Directors (see Sustainability Statement 2025, section 1.4.).

Institution's integration in governance arrangements of the governance performance of their counterparties

Belfius' governance is in line with regulatory and supervisory expectations (see Risk Report 2025, section II. & Sustainability Statement 2025, section 4.1.). ESG has been embedded in this governance, next to the creation of some dedicated platforms (see Sustainability Statement 2025, section 1.4.). Belfius has developed an extensive set of policies to guide good behaviour in all our interactions with stakeholders (employees and independent agents, suppliers and partners, customers) (see Sustainability Statement 2025, section 1.2.). Governance topics are integrated into questionnaires for the Know Your Customer onboarding and review, the internal creditworthiness rating system and the new ESG score. Aspects taken into consideration are strategy, risk, competitive and financial (viability) issues, management and ownership structure, weight of non-commercial intercompany transactions, as well as sanctions, legal, bribery or corruption issues and controversies (see Sustainability Statement 2025, section 2.3.1.1.).

- Ethical considerations

Belfius has developed an extensive set of compliance policies. Belfius expects its suppliers and customers not to engage in bribery or (tax) fraud and to respect the principles of the UNGC, as stated in respectively the Anti-bribery policy, the Sustainability Code of Conduct for Suppliers, the Human Rights Policy and the Transition Acceleration Policy (see Sustainability Statement 2025, section 2.).

- Strategy and risk management

Belfius Transition Acceleration Policy clarifies the types of activities that Belfius does not want to support (see Sustainability Statement 2025, section 2.).

- Inclusiveness

Belfius' human resources department pursues an active Diversity, equitable opportunities and Inclusion approach (see Sustainability Statement 2025, section 3.) which is also reflected in the variable (see Sustainability Statement 2025, section 1.5.) and the ESG Statement on Remuneration (see Belfius.be - Policies & Charters). Belfius supports vulnerable customers (see Sustainability Statement 2025, section 3.).

- Transparency

Belfius does not engage in direct lobbying activities and treats all complaints, especially on privacy and discrimination (see Sustainability Statement 2025, section 3.2.4.). Belfius is subject to MiFID II, IDD and CDD. Outgoing commercial communication is validated by the legal department, and by the FSMA when required. (See Sustainability Statement 2025, section 3.).

- Management of conflict of interest

Belfius' conflicts of interest policy focuses on Belfius' interactions with customers (see Belfius corporate website).

- Internal communication on critical concerns

Belfius' whistleblowing procedure is open to all stakeholders (see Sustainability Statement 2025, section 4. and whistleblowing policy).

Risk management : Institution's integration in risk management arrangements the governance performance of their counterparties considering: Ethical considerations; Strategy and risk management; Inclusiveness; Transparency; Management of conflict of interest; Internal communication on critical concerns

Overall, between the internal rating system and ESG score, aspects of good Corporate Governance taken into consideration in the assessment of creditworthiness are strategy, risk, competitive and financial (viability) issues, ownership structure, management structure and diversity, weight of non-commercial intercompany transactions, as well as sanctions, legal, bribery or corruption issues (see Sustainability Statement 2025 sections 3.1.).

Regarding the quantitative Template 1 (Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity)

It provides information on those exposures more exposed to the risks that institutions may face from the transition to a low-carbon and climate resilient economy.

- Sectors

The breakdown by sector of economic activities is done using NACE Codes based on the principal activity of the counterparty, in line with FINREP instructions.

As of 2025/12/31, exclusively for NACE sector K - Financial and insurance activities (row 54), Belfius also provides information on its exposures towards financial corporations, whereas before, it provided information solely on its exposures towards non-financial corporations.

This change in methodology explains the increases in rows 54 (K - Financial and insurance activities), 53 (Exposures towards sectors other than those that highly contribute to climate change) and 56 (TOTAL).

- Companies excluded from EU Paris-aligned Benchmarks

Belfius has developed a new methodology to identify companies excluded from EU Paris-aligned Benchmarks and has implemented this methodology in the second half of 2025.

This change in methodology explains the variance in results for this category between this report and the previous one.

- Environmentally sustainable exposures (CCM)

Due to the non-publication of templates 6 to 10, as explained in the respective templates, information on environmentally sustainable (CCM) exposures is not disclosed in this template.

- GHG financed emissions

Belfius' GHG financed emissions for its investment and lending activities are calculated according to the methodology developed by the Partnership for Carbon Accounting Financials (PCAF). The financed emissions are calculated by allocating a share of the client's emissions to the financial institutions based on the proportional share of lending and investment. This translates in the general PCAF formula for the calculation of financed emissions, where an attribution factor is multiplied with the absolute emissions of the client. The attribution factor is determined based on financial data obtained from both the internal data systems and external databases. The client's emissions, on the other hand, are determined based on PCAF's tiered approach. If available, the absolute emissions of the client are directly integrated in the calculations. If not available, the client's absolute emissions are estimated based on financial data and the PCAF emission factor database is used to convert financial data into emissions. Currently, only a fraction of the total financed emissions per sector are calculated using company-specific reporting and most emissions are still determined using company-specific financial data. Belfius acknowledges the need to increase the coverage of directly reported company-specific data in order to increase the accuracy and correctness of its calculations. However, the low percentage of real data available is linked to the fact that the largest part of Belfius' loan portfolio consists of loans to SMEs which often do not report their carbon footprint (yet).

The overall change in financed emissions compared to previous report can be explained by multiple factors, causing both decreases and increases in the financed emissions. Overall, however, the changes resulted in a considerable decrease of the financed emissions. A first factor is the removal of a sector-specific estimation for Scope 3 downstream emissions. PCAF currently does not provide emission factors for this scope. Consequently, in order to ensure data accuracy, Belfius decided to remove this scope from its calculations, resulting in a decrease of financed emissions. The change in emissions can further be explained by a change in the emission factors which were used. As CEDA emission factors are recommended by PCAF, Belfius decided to develop a methodology to implement them, and no longer use the Exiobase emission factors. Additionally, Belfius decided to include financial corporations in its scope starting this year. This inclusion has led to an expansion of the scope and an increase in emissions.

- Average weighted maturity

Perpetual bonds and equity are excluded from the calculation of the average maturity. Average maturity is set to 4 years for non-performing mortgages and to 7 years for non-performing business loans.

Regarding the quantitative Template 2 (Banking book- Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral)

Template 2 provides information on the energy efficiency of the collateral of loans collateralised by immovable property.

- Collateral obtained by taking possession

No repossession of collateral takes place as immovable property held as collateral is sold in case of non-performing exposures.

- Level of energy efficiency

In Belgium, the EPC label scales vary across the three regions, resulting in discrepancies in the distributions between levels of EP score in kWh/m² (columns e to j) and levels of EPC label (columns k to q).

Belfius started collecting EP certificates of buildings held as collateral from its customers as of 2021. Belfius managed to collect certificates for about 50% of its loans collateralized by residential real estate. The coverage for loans collateralized by commercial real estate is much lower, considering that such assets are often not subject to EPC regulation.

- Level of energy efficiency estimated

For residential real estate, Belfius uses an EPC proxy developed by an external service provider (FINC). The proxy relies on a model estimating energy efficiency levels of real estate assets based on the property's address, building type and other specific characteristics.

For commercial real estate, Belfius refrained from estimating energy efficiency due to the current lack of a robust methodology for this type of buildings.

Real estate categorized as "buildings under construction" and "new buildings" were not automatically assigned towards levels of energy efficiency in case energy efficiency scores were not available yet. However, excellent EP scores might be assumed for those properties, considering the applicable minimum legal requirements.

Regarding the quantitative Template 3 (Banking book - Indicators of potential climate change transition risk: Alignment metrics)

Template 3 provides information on the alignment efforts with the Paris Agreement objectives for a selected number of sectors.

- Portfolio covered

Due to refinements of the calculations and improvements in the matching process, Belfius was able to increase its coverage. Specifically for the power sector, the portfolio covered has decreased compared to previous report, due to a change in the applied methodology. Other evolutions from 30/06/2025 can be explained partially by the changes in the portfolio and partially by the improvements in data quality and coverage.

- Alignment metrics

For each sector, the most relevant alignment metric, which allows for the most accurate comparison with the IEA decarbonization scenarios, was chosen. The methodology is based on the Paris Agreement Capital Transition Assessment (PACTA), which enables financial institutions to measure the alignment of their portfolio with climate scenarios as well as analyze specific companies. The PACTA tool was applied on the banking book of December 31st, 2025, resulting in a sector-specific output on portfolio level. This output represents the alignment metric, i.e. the sector-specific performance on portfolio-level, calculated using a weighted average of the covered companies using the financial exposure as the weighting factor.

- Distance to IEA NZE2050

To calculate the distance to the IEA NZE 2050, the alignment metric was compared to the corresponding sector-specific indicator of the IEA's NZE 2050 scenario for the year 2030. The 2030 scenario value was obtained from IEA's World Energy Outlook report and additional support documentation. The latest update to this report was considered, where relevant and available.

- Target

In the course of 2025, Belfius has defined decarbonization targets on its financing activities in the power, automotive, oil and gas and coal sectors. These 2030 targets have been determined by calibrating the portfolio against the sectoral pathways of the IEA using the PACTA methodology. Column g therefore represents the metric that Belfius wants to achieve in the different sectors within three years based on its target trajectory for 2030.

Regarding the quantitative Template 4 (Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms)

Template 4 provides information on Belfius' exposures towards the most carbon intensive counterparties in the world.

- Top 20 carbon-intensive firms

The top 20 carbon emitting companies in the world are identified based on data provided by an external service provider (Sustainalytics) at 31/12/2025. To make the aforementioned selection, scope 1, 2 and 3 emissions have been taken into account. Belfius analyses its exposures to the top 20 carbon emitting companies in the world which are identified as described, including their subsidiaries.

- Environmentally sustainable exposures (CCM)

Due to the non-publication of templates 6 to 10, as explained in the respective templates, information on environmentally sustainable (CCM) exposures is not disclosed in this template.

Regarding the quantitative Template 5 (Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk)

Template 5 provides information on collateralized loans with immovable property exposed to chronic and acute climate-related hazards.

- Impact from climate change physical events

Belfius' exposures are primarily concentrated in Belgium. When it comes to climate change physical risk in Belgium, floods are identified as the most prominent risks. Belfius uses regional flood maps to measure its exposure of assets collateralizing its loans which are located in flood zones. These flood maps stem from the European "Flood Directive" (2007/60/EC), which requires all Member States to identify areas for which a potential significant flood risk exists and to prepare flood hazard and flood risk maps for these areas. In Belgium these flood maps are provided on a regional level. Since hazard and probability levels expressed in these flood maps differ from region to region, they are homogenized by Belfius. Belfius defines an exposure as "sensitive to impact from flood risk" in case the repayment of this loans is secured by a property located in a "medium" or "high flood risk area", which corresponds to “medium” and “high” hazard in Wallonia and Brussels, and “effectively flood prone” in Flanders. In this mapping exercise, Belfius does not take into account risk mitigants such as home insurance, subscription of which is a mandatory requirement to contract a mortgage loan at Belfius. The figures here thus represent “gross risks (before mitigating actions)” and not “residual risks (after mitigating actions)” which is estimated to be much lower. The reference date for the assessment of sensitivity of exposures to flood risk is 31/12/2025.

23. Exposures to crypto assets

23.1. Template EU CAE1 – Exposures to crypto-assets

The template is empty because Belfius has no exposure to crypto-assets as per 31/12/2025.