



# Consolidated Solvency and Financial Condition Report 2025

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# Summary

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The purpose of the Solvency and Financial Condition Report (SFCR) is to provide information required by the Solvency II regulatory framework in respect of Belfius Insurance at 31 December 2025. Belfius Insurance is part of the bank-insurance group Belfius.

This report sets out aspects of Belfius Insurance's business and performance, system of governance, risk profile, valuation methods used for solvency purposes and its capital management practices.

## 2025 – a year of tensions and paradigm shifts

Since 2022, geopolitical instability has continued as a major risk driver for Europe and Belgium in 2026, with direct implications for the economy and the financial sector, including insurers, in a context of strained public finances. At the same time, the European Union has yet to define a clear and unified strategic posture in the context of intensifying rivalry between the major powers. Meanwhile, Russia continues its war in Ukraine and increasingly relies on hybrid threats — including cyber operations, disinformation, political interference and infrastructure disruption — affecting Western Europe.

Taken together, **these factors heighten macroeconomic uncertainty, market volatility, and operational risks, all of which are relevant to the risk profile and resilience of Belfius Insurance.**

During 2025 Belfius Insurance demonstrated resilience through heightened vigilance and anticipation on these events. Maintaining sufficient liquidity levels enabled de-risking actions and ensured robust solvency. **Belfius Insurance closes 2025 with a strong 201% Solvency II ratio.**

In life insurance, the pricing of the flagship product (BIC Safe) was continuously monitored and adjusted based on market trends and taking advantage of the normalization of the interest rate curve, resulting in record production while maintaining strong profitability and solvency. To reinforce Belfius Insurance's position as a key player in pensions, new products such as IKI Life and IKI Bold were launched. In Non-Life insurance, monitoring the profitable growth was in place, by reviewing products and pricing. With the deployment of Belfius Direct Insurance, a strategic flagship was positioned as focal point of our digital insurance strategy.

2025 has also been a challenging year for the Compliance department as the FSMA has launched numerous prudential surveys and supervisory control actions. These different actions have been followed by action plans and procedure revisions. Furthermore, preliminary preparation measures have been taken to prepare for future European regulations such as AML 6 and RIS (Retail Investment Strategy).

In light of the threatening geopolitical context and the rising effectiveness of cyber attacks that pose significant concerns, it was imperative for Belfius Insurance to anticipate and address these challenges proactively. Additionally, the ambitions of our 2030 strategy underscore the necessity to bolster our control mechanisms to mitigate these risks. To this end, control frameworks were strengthened. Amongst others, we enhanced our Third-Party Risk Management (TPRM) and Information Security Management System (ISMS) to ensure robust protection against potential threats.

**As a conclusion, Belfius Insurance is well-positioned to achieve its strategic ambitions while maintaining a strong solvency ratio and a resilient risk profile.**



## Activity and performance

As a multi-channel insurer on the Belgian market, Belfius Insurance offers a complete range of Life and Non-Life insurance products to individuals, companies, self-employed, the social sector and the public sector. Belfius Insurance is part of the bank-insurance group Belfius.

This multi-brand and multi-channel approach enables us to offer differentiated products and services to all our customers, and furthermore offers them the solution most suited to their needs.

Belfius Insurance is in the top 5 of the Belgian insurers fully aligned with its strategy aiming at growth, and hence a leading Belgian insurer:

- which managed to grow in the activities Life and Non-Life thanks to internal growth and targeted acquisitions;
- which is anchored on the Belgian market, present in all sectors of the economy and in as many households as possible, and which largely contributes to equipping all Belfius customers;
- which is positioned as reference in the field of end-to-end customer experience;
- which, thanks to its expertise in digital and its efficient sales teams, is developing sufficiently in all customer segments and makes a stable and growing contribution to the results of Belfius;
- which aims at fully embracing technological innovations, such as the use of GenAI, and engaging in strategic partnerships on this matter (i.e. Mistral, Alan);
- which puts sustainability in the heart of every decision, products and process.

Each brand has its own positioning with the goal that Belfius Insurance is:

- Belfius – Meaningful & inspiring to the Belgian society. Together. Unique selling proposition thanks to integration into the bank strategy with a segmented approach for Savers, Investors, Private & Wealth and customised package solutions for Business.
- DVV – Expertise and Human touch. Combining the power of local and expertise with the possibilities of data & digital.
- Belfius Direct Insurance – Direct insurer which has part of its offer available in the Belfius Mobile app. Innovative, simple and transparent.

In 2025, Belfius Insurance collected EUR 3,010 million on the Belgian market, of which 68.5% for Life.

As at 31 December 2025 Belfius Insurance had 1,484 active members of staff.

In the 2025 financial year, Belfius Insurance achieved a net result of EUR 289 million. This excellent result is the fruit of our long-term strategy: strengthening the bank-insurance model, the constant focus on innovative insurance solutions, controlling our costs with particular attention paid to the profitability of all our channels, the development of the Non-Life portfolio, management of our Life activities in line with our leading Branch21 strategy, our focus on offering Pension-products and the digitalisation of our offer and customer satisfaction.

In order to face future challenges with confidence, a series of projects have been set up. Close collaboration with our parent company Belfius Bank leads to an even stronger digital insurance product range, as well as an integrated and tailored customer experience. We are constantly improving our processes to increase their efficiency and thus their impact on customer satisfaction.



## Governance system

This section on governance is intended to enable a good understanding of the manner by which governance is organised within Belfius Insurance and its appropriateness to the regulations relating to the supervision of insurance companies in Belgium, the commercial strategy and operations. It contains information on the structure of its administrative, management and surveillance bodies as well as a description of their principal responsibilities.

Belfius Insurance makes a clear distinction of responsibility between the different governing bodies. The Board of Directors is responsible for defining the general and risk strategy.

The Management Board is mandated by the Board of Directors (which delegates its relevant powers to the former) with the management of Belfius Insurance. To ensure the proper operation and development of Belfius Insurance, the Management Board is responsible for establishing and maintaining an appropriate risk management. It defines and coordinates the policy of Belfius Insurance in line with the strategy laid down by the Board of Directors. It allocates the means and resources and sets the deadlines for the implementation of actions defined under that policy. It verifies whether the objectives are attained and whether the risk management is tailored to all the needs. Finally, it adapts the needs to internal and external developments.

The teams that must specifically ensure effective risk management are:

- The Risk Management team (second line of control) under the responsibility of the Chief Risk Officer, member of the Management Board, tasked with the supervision of the risk management policy. This team defines lines of action for limits and delegated powers, monitors and measures the total risks, and stimulates the implementation of harmonised methods in the different entities.

- The Actuarial Function (second line of control) is responsible for the continuous compliance with the requirements regarding the technical aspects in Belfius Insurance:
  - the technical provisions, the compliancy of the profit-sharing policy,
  - the underwriting policy and the adequacy of the reinsurance plans.
 The Actuarial function reports directly to the Chief Risk Officer.
- The head of Compliance (first and second line of control) ensures compliance with the integrity policy and the development of the ethics policy in Belfius Insurance.
- The Internal Audit (third line of control) reports administratively to the Chief Executive Officer, member of the Management Board and functionally to the chairperson of the Audit Committee. Internal audit monitors the implementation and proper application of the internal control process (first and second line).

A number of transversal committees see to the follow-up of the various aspects of the management of risks to which Belfius Insurance is exposed.

The Asset and Liability Management Committee (“ALCO”) takes the tactical decisions that have an impact on the balance sheet of Belfius Insurance and on its profitability, taking account of the group’s risk appetite. It verifies compliance with the guidelines and limits for the management of the investment portfolio.

In addition, the Board of Directors of Belfius Insurance can rely on an Audit Committee comprising three non-executive directors (of which at least the majority of its members qualifies as an independent director).

Furthermore, the Board of Directors can rely on the Risk & Underwriting Committee for advice on the various fields of risk management such as risk appetite, material exposure to the risks, the strategy and the impact thereof on the capital, the organisation of risk management and the alignment to the nature of the existing risks. The committee comprises at least three members that must be non-executive directors (of which at least one is an independent director).



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## Risk profile

Like other insurance companies, Belfius Insurance is exposed to risks of various sorts: financial or non-financial, existing or emerging, measurable qualitatively or quantitatively. The significance of these risks is assessed sometimes based on regulatory requirements (Solvency II) and sometimes by taking a specific look at the company.

Correspondence of risk level and risk appetite is monitored regularly and retrospectively but also before any decision which might have a material impact on the level of risk.

The proper management of such risks is facilitated by adapted governance, which ensures their detection, assessment and management.

Moreover, a wide diversification is allowed by virtue of the diversity of insurance activities, distribution channels, and techniques enabling Belfius Insurance to avoid excessive concentrations both of assets and of liabilities.

In order to sustain the Belfius Insurance strategy, the Risk Appetite Framework (RAF) continues to evolve under oversight of the Belfius Insurance Board of Directors. The Strategic Asset Allocation was reviewed. For non-financial risk indicators, a philosophy of strong focus on awareness and culture, third-party risk management, monitoring of data breaches with material impact and a together approach with Belfius Bank is applied. The risk indicators pertaining to ESG have been developed in recent years and have not changed compared to last year.

In December 2025, Standard & Poor's assigned Belfius Insurance a stand-alone credit rating of A with a stable outlook.

ESG risks are managed through an ESG Risk Framework that has been progressively implemented since 2021 and continues to evolve. This evolution is driven by the implementation of new data tools and together initiatives with Belfius Bank.

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## Valuations for the purposes of solvency

In order to measure its solvency, Belfius Insurance values its assets and liabilities at their "fair value" and in line with the requirements of the Solvency II regulations. Approximation methods are used but to an extremely limited extent.

The differences resulting from comparison of the Solvency II balance sheet and the IFRS balance sheet are also explained.



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## Capital management

Belfius Insurance calculates its capital requirement using the standard Solvency II formula, reflecting the rules and guidelines of the EIOPA and the National Bank of Belgium.

Despite the turbulent year for the global economy, Belfius Insurance has been able to maintain a strong risk profile and has demonstrated its resilience.

As of Q4 2025, the Solvency II ratio ends up with a strong 201% after the foreseen dividend and within Belfius Insurance's risk appetite. The Solvency II ratio is solid (201%) and increased slightly compared to 2024 (196%). This is a concrete achievement of the continuous ORSA process living through the risk management and risk culture within the company.

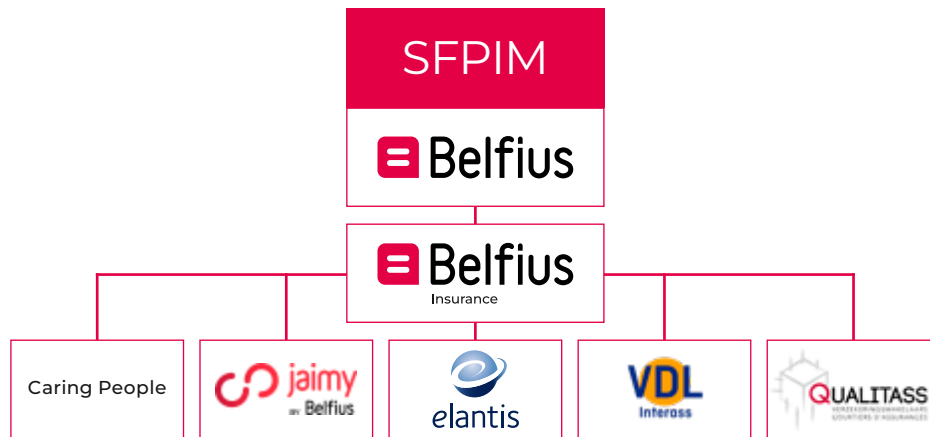
Belfius Insurance's SCR amounted to EUR 1,134 million at the end of December 2025, an increase of EUR 66 million compared to the end of 2024. Market risk remains the main contributor to the required capital, due to spread and equity risk. The SCR linked to interest rate risk was rather limited thanks to the ALM management of Belfius Insurance, targeting a limited global duration mismatch between assets and liabilities. The second important contributor is the Insurance risk. The Life Insurance risk increased over the year aligned with the evolution of the interest rates. The Non-Life Insurance risk decreased in the absence of natural catastrophe events combined with a good reinsurance coverage, even if this business is growing aligned with the strategy..

Considering Belfius Insurance's level of available capital, the risk that its capital might fall under the SCR (Solvency Required Capital) or the MCR (Minimum Capital Requirement) is very limited. This is confirmed by the results of the stress tests on its business plan, the regulatory stress tests and various sensitivity analyses performed during accounting closings.

# A. Activities and performance

## A.1. Business

### A.1.1. Group structure



Belfius Insurance is a key component of the non-listed Belfius Group, owned by the Belgian State through the Federal Shareholding and Investment Company (SFPIM) since the end of 2011. Belfius Insurance offers a comprehensive range of Life and Non-Life insurance products tailored to individuals, companies, self-employed, the social sector, and the public sector. A unique multi-brand and multi-channel approach on the Belgian market allows Belfius Insurance to provide differentiated products and services, ensuring that each customer receives the solution best suited to their needs.

As the fifth<sup>(1)</sup>-largest player on the Belgian insurance market, Belfius Insurance delivered strong performance in net income and financial value creation over the 2020-25 strategic cycle, establishing itself as a leading Belgian insurer committed to customer satisfaction and societal well-being.

Looking ahead to Belfius 2030, Belfius Insurance is entering a new strategic phase with the purpose of “unlocking potential with optimism”. The goal is to shape the future of protection and financial well-being, leveraging technology and underpinned by financial and risk excellence in an increasingly volatile environment.

Within its Life activities, Belfius Insurance focuses on the development of Pension and Investment products. The ambition is to build on the success achieved in Invest and to become Belgium's leading pension reference, while continuing to fulfil its role of protection for families and entrepreneurs.

Within its Non-Life activities, Belfius Insurance aims to position itself as a unified bank-insurer, offering a data-driven and personalised experience. Thanks to some rationalisation efforts, the Non-Life technology and product landscape now provides a solid foundation for scalable growth and enables new waves of innovation, unlocking returns from AI-driven investments.

Belfius Direct Insurance (BDI) is dedicated to seizing the digital insurance opportunity in Belgium and beyond. BDI aims to set a new norm for customer experience through advanced data and AI capabilities, and to leverage market data and real-time dynamic pricing to deliver optimal value to target segments while sustaining profitability and complementing the physical network.

DVV strength lies in deep client relationships and market proximity, reflected in exceptional customer satisfaction scores (97% in 2025). As the market evolves, DVV is transforming, actively consolidating its agent network, increasing customer equipment rates, and focusing on the Individual and Business segment.

(1) 2024 figure – Assuralia (2025 figures not yet available).



Workforce and technology act as key enablers of the strategic plan for growth. The strategy requires new expertise and is underpinned by a revised People strategy that shifts talent in skills and composition. Leadership is amplified by living the 'Dare-Care-Make It Happen' values, optimising structures, and sharpening talent KPIs for leaders. At the same time, technology serves as a business enabler through the execution of projects, enabling business lines to accelerate operational excellence, enhance customer experiences and unlock new opportunities for growth.

### Belfius Bank & Insurance

Via Belfius Bank branches, Belfius Insurance distributes a wide range of standard Life and Non-Life products. Through the Bank-insurance channel, it can address retail and commercial banking customers, i.e. individuals, small companies and self-employed, who wish to have all their financial requirements covered in one place, their Belfius Bank branch.

### Belfius Direct Insurance

Belfius Direct Insurance is the direct insurer of Belfius Insurance. It offers its insurances via the direct channel, and part of its offer is also available in the Belfius Mobile application. It provides a complete range of products including mobility, property, renter, assistance and pet insurance, with 'km insurance' as its leading product.

### DVV Insurance

DVV Insurance distributes its products through an exclusive network of tied agents spread across the country. By means of over 100 branches, individuals, self-employed and small companies are offered a complete range of Life and Non-Life insurance products through a tailored quality service.

### Elantis

Elantis, a company active in providing mortgage and consumer loans based in Liège, distributes its products via independent brokers. Its wide range of products enables it to offer targeted solutions, depending on the needs of each retail borrower.

### VDL Interass

VDL Interass is the in house broker exclusively dedicated to the DVV network. Its role is to place risks that DVV or Belfius Insurance cannot underwrite with the most appropriate insurance companies on the (mainly Belgian) market. This also includes risks for which Belfius Insurance does not offer a tariff sufficiently aligned with market conditions. In addition, VDL Interass identifies, hosts and manages brokerage portfolios acquired by DVV agents, which are progressively transferred to Belfius Insurance over a period of three to five years.

### Qualitass

Qualitass is the in house broker dedicated exclusively to the Bancassurance network. It manages a small acquired portfolio served through the banking network and also holds a large (legacy) portfolio of its own clients, handled by the Qualitass office in Grimbergen. As the in house broker within the Bancassurance model, Qualitass contributes to a holistic customer approach, by providing solutions for risks that fall outside Belfius Insurance's underwriting appetite.

### Jaimy

Jaimy is the digital platform launched by Belfius Insurance in early 2018 to offer innovative service solutions on the Belgian market. Initially designed as a marketplace connecting individuals with qualified professionals for home repair and renovation work, Jaimy expanded its activities in 2020 with a second core offering: repair-in-kind services for insurance claims. Today, the commercial and operational activities of Jaimy in Belgium cover both the marketplace and repair-in-kind services, positioning the platform as a key partner in providing customers with fast, reliable and convenient home-service solutions.

### Caring People

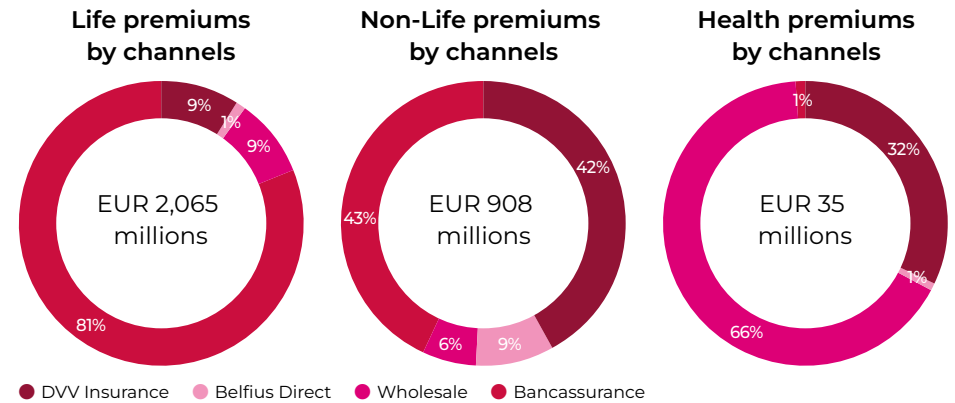
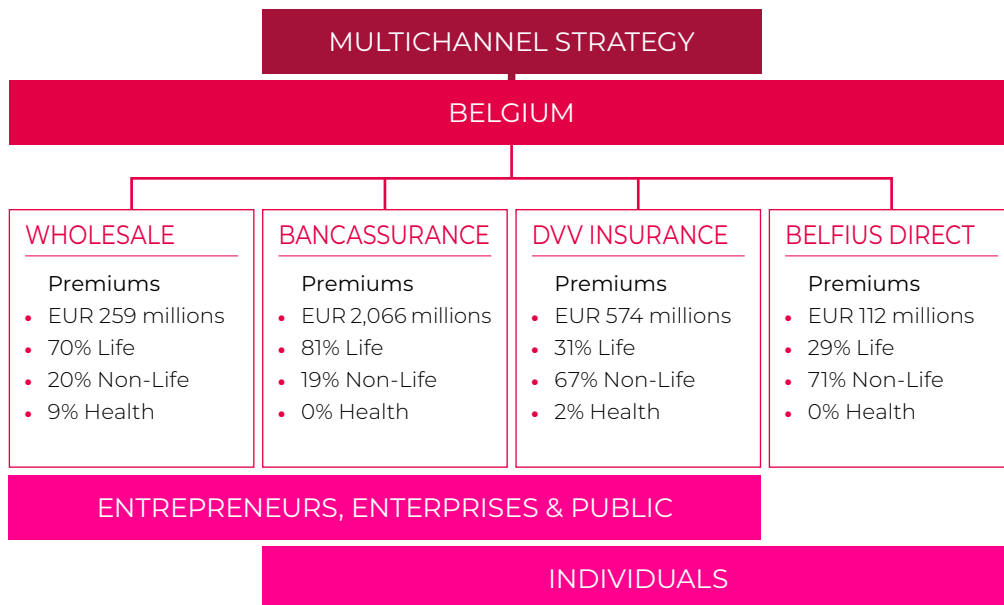
Caring People operates the contact center for Belfius Direct Insurance.



## A.1.2. Activity report

The production figures given in the activity report relate to the direct business of the Life and Non-Life activities, including Branch 23. The activity report focuses principally on commercial production, those figures do not include the reinsurance received nor a series of technical (IFRS) and regulatory documents.

Gross total premium collection amounted in 2025 to EUR 3,010 million, of which EUR 2,063 million in Life and EUR 947 million in Non-Life & Health, against EUR 2,349 million the previous year. The following charts show premium collection by channel.



### A.1.2.1. Wholesale

#### A.1.2.1.1. Life

In 2025, Wholesale shows stable reserves compared to 2024. The outstanding reserves amount to 2,475 billion euros. The GWP in 2025 (182 million euros) are in line with 2024.

#### A.1.2.1.2. Non-Life & Health

Overall premium collection (GWP EUR 76 million) slightly increased compared to 2024 (EUR 74 million) thanks to pruning actions, better hit ratio in social profit sector among others.

### A.1.2.2. Bank-insurance

Via the Belfius Bank network, Belfius Insurance serves individuals, self-employed professionals and SMEs who seek insurance solutions through their bank. Belfius Bank offers its customers the full range of Belfius Insurance Life and Non-Life products.

This offer includes comprehensive Non-Life insurance coverage—such as car insurance (third-party and omnium), civil liability, fire and other risks—as well as Life insurance solutions including credit protection, pension savings, investment-linked insurance, guaranteed income and death coverage.

Thanks to this extensive portfolio, Belfius Insurance fully fulfils its role as a locally rooted insurer, committed to protecting Belgian households and businesses, safeguarding their income, and contributing to the growth of their wealth.



### A.1.2.2.1.1. Commercial results

The growth in Bank-insurance continues in 2025. Sales efforts are well integrated by the Belfius Bank agencies and premium collection in Non-Life has increased by 6% in 2025, up to EUR 396 million. The branches have adapted their organisation to this strategy. Cross-selling between insurances and loans, check-up interviews and so on are bearing fruit. Customer centricity and the quality of service and products are at the heart of this one-stop-shop approach. The application of customer segmentation makes it possible to offer an approach in line with the segment strategy of the bank and also to offer competitive prices.

The cross-sell for insurance products increased in all segments and this confirmed Belfius' strong Bank-insurance business model. The intentional cross-selling rate for mortgage-related insurance (Life) increased to 138% (based on the ratio of intended insured capital and the mortgage amount, as agreed in the first mortgage offer).

Our strategy is to go beyond mortgage protection, but protect what truly matters: Safeguarding self-employed who take up business credits and Private and wealth to protect their patrimony for the nextgen. This allows us to diversify the source of revenues in protection.

Major increase in Life outstanding versus end 2024 thanks to growth in Life Invest (+20,6%) and Life Pension (+6%) due to strong production in as well Br21 as Br23 in combination with a positive market effect in Life Invest Br23.

In Life, 2025 was an excellent year with an increase of GWP with +57.5% (standing at EUR 1,663 million). GWP Protection increase with +8% thanks to higher production in standalone protect and overall increase cross-sell ratio's (for individuals and business), linked to the excellent production in mortgages. Pension GWP increased with +8% to EUR 269 million.

GWP Invest especially increased by +87% to EUR 1,242 million thanks to attractive products in both Br21 and Br23. The reserves of br21 and br23 Invest have risen sharply due to the high demand for as well br21 as br23. Strong innovation over recent years has led to a daily production in Br23 of nearly EUR 2 million at the end of 2025. The increase in reserves was further supported by limited outflow and an effective retention strategy. The implementation of the previously determined strategy and product innovation have been key to this success and helped Belfius Insurance surpass the production targets for both branch-21 and branch-23 in 2025.

### A.1.2.2.1.2. Main achievements

Optimal agency organisation and knowledge enhancement ensure improvement of sales and customer service. Furthermore, we continue to enhance our offer. In 2025, the car insurance was simplified to offer its customers a clearer and more transparent experience, thanks to a simple deductible system. The increased integration of digital offers highlights the innovative, user-friendly and omnichannel customer experience Belfius Insurance offers. Next to kilometer insurance and pet insurance, an assistance, bike and a renewed renter insurance of Belfius Direct Insurance has now been introduced via Belfius Mobile application and our branches.

In 2025 we launched a new pension approach for personal banking with new innovative decumulation products (iki=Life and iki=Bold) to enjoy the pension stage fully.

Specific among our Business customers, the production of Digital VAPZ has grown to 8% of the total VAPZ sales in 2025, and the cross-sell between life insurance and business loans has increased by 19%. To further expand our offering in Employee Benefits and also protect the employees of our Business customers in Health, the Alan x Belfius partnership was rolled out at the end of 2025.

And for Non-Life for business customers, Belfius continued the complete renewal of its product portfolio for the self-employed and SMEs market, launching a new workers compensation product, a new accident product and a new product for trucks.

### A.1.2.3. DVV

DVV Insurance has a history of more than 95 years in the Belgian Life and Non-Life insurance market, thanks to a network of self-employed agents, selling exclusively DVV's insurance solutions. Through 280 branches, and ~900 dedicated insurance experts as at the end of 2025, DVV Insurance offers individuals, the self-employed and small enterprises a complete range of insurance products as well as mortgage loans.

DVV has a unique brand promise based on "just a good service" supported by empathy, expertise, straightforwardness and proximity.

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



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

#### A.1.2.3.1.1. Commercial results

In Life insurance, strong commercial results (+6% vs 2024) mainly in Life Invest Br21 (+24% vs 2024), with a growth in both Br21 and Br23.

The GWP Non-Life (incl. Health) increased (+3% vs 2024) thanks to the premium indexation to compensate for inflation pressure on claims and costs, but also thanks to excellent commercial results in different lines of business.

The commercial effort to strive for a fully equipped customer base resulted in consolidating the share of BLAF-1 customers: this means that 44.3 % of private DVV families are equipped with at least 3 of the 4 basic products (BLAF: Brand, Leven, Auto, Familiale). This also translates into a low churn rate on the portfolio.

DVV also has a mortgage activity for those agents that are also mortgage brokers. In 2025 the new mortgage production totalled EUR 199 million.

#### A.1.2.4. Belfius Direct Insurance

Belfius Direct is the brand name of Belfius' direct (mainly digital) channel. Belfius Direct has the clear aim to combine the best of both worlds by offering, under a strong brand name, Belfius Direct Insurance, simple and innovative solutions at attractive prices and doing so through a high-performance direct channel supported by an experienced team. Belfius Direct Insurance targets all Belgians, whether or not they are customers of Belfius Bank, with a complete and innovative offer in three areas: mobility (car and motorcycle insurance), home (tenant insurance) and family (family insurance, pet insurance and funeral insurance). Last year, BDI launched an (renewed) renters, assistance and bike product in line with this strategy.

In 2025, Belfius Directs' total premium collection amounted to more than EUR 112 million, up 6.2% versus 2024.

Premium collection for Life insurance amounts to EUR 32.7 million, an increase of EUR 0.8 million compared to 2024.

In line with its growth strategy in the Life business and actively profile itself on the Belgian market of funeral insurances.

In Non-Life, the premium collection amounts to EUR 79 million, which is 71% of the total premium collection. This increase in Non-Life, compared to 2024, is mainly driven by higher sales in car insurance.

### A.1.3. Human resources management

	2024	2025
Women	53.27%	53.30%
Men	46.73%	46.70%
Active employees	1,438	1,484
Employees with a permanent contract	99.72%	99.87%
Employees younger or equal to 35 years	31.08%	32.01%
Average age (in years)	43.01	42.10
Average seniority (in years)	12.11	12.11

In 2025, Belfius Insurance counted 1,484 staff members, of which 99.87% had permanent contracts. The number of staff members increased by 46 compared to 2024. The average age was 42.10 years and the average seniority has amounted 12 years, which is stable compared to 2024. The proportion of female employees compared to male employees is also stable compared to 2024. In 2025, the proportion employees younger or equal to 35 years has slightly increased with less than 1%.



## A.2. Underwriting Performance

### A.2.1. Non-Life

The table on the right shows the result of Non-Life insurances by product group for the years 2024 and 2025.

The net income before taxes increases fiercely from EUR 97 million in 2024 towards EUR 142 million in 2025. This increase is driven by a strong growth in insurance revenues thanks to a combination of net new business and premium indexation. We observe this rise across all different product groups with the highest growth percentage for All-Risks with very strong performances for Assistance and Legal Protection.

The ISE only slightly increases given the observed growth in insurance revenues, this in large part thanks to a low amount of NatCat in 2025.

In terms of operating expenses there is a significant increase which is mainly linked to the investments made in light of the development of Belfius Direct.

#### Insurance results Non-Life per productgroup

	Insurance revenue	Insurance Finance Result	Insurance Service Expenses	Acquisition commissions	Technical result from ceded reinsurance	Net income on capital	Operating expenses	Other	Net Income before taxes
(in thousands of EUR)									
<b>TOTAL AS AT 31 DECEMBER 2024</b>	<b>863,679</b>	<b>-20,782</b>	<b>-549,369</b>	-	<b>-42,268</b>	<b>45,697</b>	<b>-197,190</b>	<b>-2,838</b>	<b>96,929</b>
Mobility	334,469	-10,827	-222,576	-	-12,712	23,046	-89,159	-1,863	20,378
Property	337,169	-2,160	-218,444	-	-29,364	6,620	-64,732	-282	28,807
All-Risks	156,308	-4,735	-95,005	-	-31	11,316	-37,314	-526	30,013
Worker's Compensation	35,591	-2,836	-22,277	-	-222	4,288	-5,985	-164	8,394
Other <sup>(1)</sup>	143	-224	8 934	-	62	426	-	-3	9,338

	Insurance revenue	Insurance Finance Result	Insurance Service Expenses	Acquisition commissions	Technical result from ceded reinsurance	Net income on capital	Operating expenses	Other	Net Income before taxes
(in thousands of EUR)									
<b>TOTAL AS AT 31 DECEMBER 2025</b>	<b>909,248</b>	<b>-19,636</b>	<b>-552,218</b>	-	<b>-35,321</b>	<b>50,616</b>	<b>-214,339</b>	<b>3,287</b>	<b>141,638</b>
Mobility	350,624	-10,393	-224,954	-	-3,682	25,527	-97,556	2,003	41,569
Property	354,032	-1,717	-195,376	-	-23,613	7,065	-68,887	380	71,884
All-Risks	168,240	-4,740	-108,518	-	-7,801	12,912	-40,486	681	20,288
Worker's Compensation	36,159	-2,714	-23,425	-	-311	4,749	-7,409	228	7,277
Other <sup>(1)</sup>	192	-71	54	-	86	363	-	-5	620

(1) Includes Credit and suretyship and non-life distribution



## A.2.2. Life

### Insurance results Life per product group

	2024				Total
	Protection Insurance	Investment insurance Br21	Investment insurance Br23	Pension & Endowment	
(in thousands of EUR)					
Outstanding	685,362	2,761,555	4,135,768	7,391,929	14,974,615
Gross written premiums	173,098	505,664	221,772	543,011	1,443,545

	2025				Total
	Protection Insurance	Investment insurance Br21	Investment insurance Br23	Pension & Endowment	
(in thousands of EUR)					
Outstanding	703,339	3,298,219	4,858,801	7,643,307	16,503,665
Gross written premiums	185,171	689,504	611,930	576,326	2,062,930

#### • Protection

Continued growth of GWP Life Protect thanks to yoy growth in BHCP (+7%), mainly thanks to growth in New Business (+36%), benefiting from a bigger volume of mortgage loans. The cross-sell ratios are slightly higher than last year for BHCP (138% intentional) and the cross-sell continues its increasing trend for Business credits (at 31%).

Standalone protection further grows, with Belfius Life Protect seeing a 38% increase in new production in EUR, 46% in number and 11% in death capital per contract. Belfius Gift Protect remains small but showed increase of 55% in EUR, mainly due to larger tickets being protected.

The result before tax is lower than in 2024 due to higher incurred claims and a switch from not-modelled to modelled on some products, not fully compensated by higher insurance revenue.

#### • Life Invest Br21

Life Invest Br21 exceeded the already high production in 2024. Br21 still gaining appetite as the yield curve further normalized, making long-term investments relatively more attractive than short-term solutions. This continued high production leads to an increase in outstanding. The result before tax is lower than 2024 due to lower capital gains and negative fair value impact, higher insurance finance expenses from the New Business and further finetuning of IFRS17 models and the booking of a loss component in 2025. This is only partly offset by higher recurring financial revenues.

#### • Life Invest Br23

Strong growth GWP Life Invest Br23 capitalizing on a high customer interest, high network activity, together with sustained performance, innovation, and expansion of the offer over the past years. The outstanding Life Invest Br23 increased thanks to this strong production and a positive market effect.

The result before tax is slightly higher than in 2024 thanks to higher fees driven by higher outstanding and GWP, partly offset by higher allocated costs to Br23.

#### • Pension

GWP Pension is exceeding 2024 levels thanks to Individuals and Wholesale with Business suffering from lower back services IPT and lower average premiums. For individuals Pension accumulation increased for both DVV and Bancassurance in combination with the launch of a new individual Pension decumulation product. Wholesale Pension increased thanks to higher premiums in Publipension, focusing on unique premiums. Higher recurring and non-recurring financial revenues are the drivers of a result before tax that is higher compared to 2024.

#### • Endowment

GWP Endowment slightly below 2024, since it mainly relates to product in run-off.

## A.3. Performance of investment activities

### A.3.1. Information concerning charges and proceeds compared to the previous year

The 2025 financial results amount to EUR 499 million.

The net interest income increased to EUR 394 million (+ EUR 16 million) thanks to the implementation of our new Strategic Asset Allocation, as well as optimised investment management.

We increased our allocation to fixed income assets (government bonds, corporate bonds and fixed income funds).



Dividend income decreased to EUR 40 million, (- EUR 7 million) due to lower dividend income on investment funds.

The financial instruments booked at fair value through P&L had a negative contribution to the results (-EUR 7 million) despite positive evolution of Private Assets valuations, offsetting negative impact from dividends on NAV.

Capital gains realised (EUR 42 million) are mainly due to the continuation of the duration matching exercise in 2024. Note that the duration matching was done with very limited impact on future recurring financial income.

### Net income on capital

(in million of EUR)	31/12/2024	31/12/2025
Interest income & expense	378	394
Dividend Income	47	40
Net income from equity method companies	1	0
Net income from financial instruments at fair value through profit or loss	1	-7
Net income on investments and liabilities (capital gains)	26	42
Other income & expense	27	30
<b>TOTAL</b>	<b>480</b>	<b>499</b>

## A.3.2. Performance of investments

### A.3.2.1. Equity & fixed income

#### 2025

	Asset class	Performance
Fixed income	Govies	(1.9%)
	Coporate	3.3%
Equity portfolio	Equity	7.4%
	Real estate	17.9%

In 2025 our equities portfolio suffered from the absence of certain sectors (eg. Banks, Defense) but our Real Estate Portfolio performed extremely well.

Within our fixed income portfolio, our government bonds posted negative returns while our corporate portfolio posted positive returns.

### A.3.2.2. Mortgage loans

As of December 2025 the market value of our mortgage portfolio stood at EUR 3,455 million. Mortgages are originated by two subsidiaries of Belfius Insurance, Elantis and DVV. The average rate on the portfolio stood at 2.28% for DVV mortgages and 2.65% for Elantis. A slight increase compared to last year thanks to the rate increase seen throughout the year. Average LTV at start was 75.7% for DVV and 74.3% for Elantis and the current LTV is 60.5% for DVV and 57.1% for Elantis. In 2025 this portfolio generated EUR 83.2 million revenues, an increase of 2.1% from previous year.

### A.3.2.3. Real estate

The direct property investment strategy for offices mainly focuses on the acquisition of new/recent properties located within walking distance from major train stations or mobility hubs. As a result, properties acquired have excellent scores in terms of energy consumption and accessibility via public transport. The strategy also focuses on properties offering long term lease contracts with a single tenant, usually public authorities.

For the nursing home asset class, the strategy focuses on the acquisition of new/recent properties let for the long term to international operators with solid financial performance. The lease contracts are triple net which means that all costs including the major repairs are to be paid by the tenant.

A smaller part of our investment activity consists in non-direct real estate investments into companies or funds active in real estate segments where we do not invest directly.

On 31/12/2025 the market value of our direct real estate portfolio amounted to EUR 723 million, a decrease of EUR 4 million compared to the previous year. The change is mainly due to:

- In our property Immo St Michel in Brussels, we sold in 2025 for approximately EUR 4 million of land to the buyers of appartements under construction.
- A decrease in value of EUR 16 million for our KAM Properties in Bruges, as valued by our external expert, who significantly increased the yield on these two properties.
- These decreases have been partially compensated by:
  - An aggregate EUR 8 million increase in the value for the remaining of our office properties.
  - An aggregate EUR 8 million increase in the value of our nursing homes.
- On like for like basis, the valuation of our portfolio remained stable compared to 2024.



As our real estate portfolio is at amortised cost in the accounts, the evolution of market values did not impact our P&L.

In 2025, total cash rental revenue reached EUR 50.6 million, representing a EUR 3 million increase compared to 2024. This rise can be attributed to several tenants who had rent-free periods in 2024 but paid the full rent in 2025.

Our strategy for the coming years is to increase the size of our portfolio in line with the growth of the balance sheet in order to maintain the same exposure.

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## A.4. Performance of other activities

Jaimy was originally launched in 2018 as a joint venture with BCG. Following the 2023 demerger into Jaimy and Fixxer (a joint venture with ASR Nederland), Jaimy became a 100% subsidiary of Belfius Insurance. The company manages a network of building professionals capable of repairing, maintaining, installing, and certifying all aspects of a property across Belgium. This includes Belfius Insurance' repair-in-kind and urgent intervention services, while both individuals and businesses benefit from Jaimy's extensive network of skilled professionals.

The company's strategic focus is on increasing the number of interventions, exemplified by the acquisition of Ajusto (a corporate venture of Engie) in 2024. This acquisition strengthens Jaimy's B2B offering, enhances repair-in-kind solutions, and supports sustainable renovations and damage prevention. This strategy is proving effective, delivering added value to customers, ensuring high satisfaction levels, and providing greater operational control.

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## A.5. Any other information

None



# B. Governance System

## B.1. General information on the governance system

### B.1.1. Board of Directors

#### B.1.1.1. Composition

##### B.1.1.1.1. Composition on 31 December 2025

The Board of Directors consists of minimum three members (exclusively natural persons). Directors who are members of the Management Board, are qualified as “executive directors”, while the other directors are qualified as “non-executive directors”. The Board of Directors consists of a majority of non-executive directors, of which at least two qualify as independent directors in accordance with article 15, 94° of the Act of 13 March 2016 relating to the status and control of insurance or reinsurance undertakings (the “Solvency II Act”).

On 31 December 2025, the Board of Directors consists of 15 members, of which 6 members are part of the Management Board, and is composed as follows:

Chairperson	
MARC RAISIÈRE	Chairman of the Board of Directors of Belfius Insurance NV Chairman of the Management Board of Belfius Bank NV
Executive directors	
FRÉDÉRIC VAN DER SCHUEREN	Chairman of the Management Board of Belfius Insurance NV Chief Executive Officer
MATTHIAS BAILLIEUL	Member of the Management Board of Belfius Insurance NV Chief Financial Officer
ELS BLATON	Member of the Management Board of Belfius Insurance NV Executive Director DVV & Beyond
LAURENT GOUEMANT	Member of the Management Board of Belfius Insurance NV Executive Director Life
EMMANUEL MICHIELS	Member of the Management Board of Belfius Insurance NV Chief Risk Officer
DANIELA RIZZO	Member of the Management Board of Belfius Insurance NV Executive Director Non-Life (resigned with effect from 01/01/2026)
Non-Executive directors	
OLIVIER ONCLIN	Non-executive director of Belfius Insurance NV Vice-Chairman of the Management Board of Belfius Bank NV
MARIANNE COLLIN	Non-executive director of Belfius Insurance NV Member of the Management Board of Belfius Bank NV Chief Financial Officer of Belfius Bank NV
DIRK GYSELINCK	Non-executive director of Belfius Insurance NV Member of the Management Board of Belfius Bank NV Executive Director – Private, Wealth & Retail Banking of Belfius Bank NV
Independent directors	
CÉLINE AZIZIEH BOCKSTAELE	Independent director of Belfius Insurance NV
DANIEL FALQUE	Independent director of Belfius Insurance NV Independent director of Belfius Bank NV
JEAN-MICHEL KUPPER	Independent director of Belfius Insurance NV
STÉPHANE SLITS	Independent director of Belfius Insurance NV
RUDI VANDER VENNET	Independent director of Belfius Insurance NV Non-executive director of Belfius Bank NV



### B.1.1.1.2. Changes in the composition of the Board of Directors since 1 January 2025

The composition of the Board of Directors underwent the following changes in 2025:

- The mandate of Laurent Goudemant as executive director, member of the Management Board and Executive Director Life of Belfius Insurance was renewed on 29 April 2025 for a term of 4 years.
- The mandate of Emmanuel Michiels as executive director, member of the Management Board and Chief Risk Officer of Belfius Insurance was renewed on 29 April 2025 for a term of 4 years.
- Dirk Cyselinck was appointed as non-executive director of Belfius Insurance with effect on 26 August 2025 for a term of maximum 4 years.

### B.1.1.2. Mission & responsibilities

The Board of Directors is a collegial body. It defines the company strategy and monitors the execution thereof.

The term “company strategy” must be understood as follows:

- the definition of the company’s strategy, objectives and values (proposed by or after recommendation from the Management Board);
- monitoring the implementation of the strategy and values by the Management Board;
- approval of the financial plan;
- defining and approving the company’s risk appetite and risk strategy;
- approving important legal structural reorganisations;
- responsibility for relations between the company and its shareholders.

As part of its supervisory function, the Board of Directors will carry out the following responsibilities:

- drawing up the annual accounts that must provide a fair view of the assets, the financial condition and the annual results of the company;
- (self-)assessing the functioning of the Board of Directors;
- supervising the Management Board and evaluating the performance of the members of the Management Board;

- evaluating the management structure and organisation of the company;
- evaluating the existence and operation of adequate internal control systems, including the reliability of the financial reporting processes;
- establishing an appropriate policy for the recruitment, suitability assessment and training of directors, heads of independent control functions and, when required, other senior managers;
- ensuring the existence of conditions enabling the statutory auditor or, as the case may be, the college of statutory auditors to perform their tasks in an appropriate manner;
- assessing the performance of the company taking into account the predetermined strategy and budgets;
- monitoring the existence and proper functioning of the independent control functions: Internal Audit, Compliance, Risk Management Function and Actuarial Function;
- defining and approving the elements that are part of the management of the risks to which Belfius Insurance is exposed, in accordance with the reinforced role of the Board of Directors in the risk management process, as described in the Risk Management Framework.

Pursuant to articles 77 and 78 of the Solvency II Act, the Board of Directors is also required to:

1. evaluate, at least once a year, the efficiency of the governance system and to ensure that the Management Board takes the necessary measures to remedy any shortcomings;
2. assess periodically (at least once a year) the proper functioning of the company’s four independent control functions. In addition to the assessment that it may conduct based on regular contacts and the information received by these four functions, the Board of Directors bases itself in particular on the periodic report drawn up by the Management Board;
3. determine which actions need to be taken based on the conclusions and recommendations from Internal Audit as well as ensure their proper implementation/execution;
4. assess periodically (at least once a year) the general principles of the remuneration policy and to ensure that its implementation is monitored;
5. endorse ultimate responsibility for a series of aspects related to reporting and publication of information (in particular the accuracy of the Solvency and Financial Condition Report, as well as the guarantee that the information delivered to the NBB is accurate and appropriate at all times);
6. endorse ultimate responsibility for the integrity of the accounting and reporting systems (including financial audit processes) and the reliability of the reporting process.



In addition, the law and the articles of association allocate various competences to the Board of Directors:

- appointing of the chairperson and, where appropriate, one or more vice-chairpersons, as well as the secretary of the Board of Directors, the chairperson and the members of the Management Board and the holders of other functions and the co-optation of directors;
- the granting of discharge to the members of the Management Board;
- the distribution of interim dividends;
- setting the remuneration for members of the Management Board;
- setting the agenda for the annual general meeting of shareholders and any extraordinary or special general meetings of shareholders;
- convening the general meeting of shareholders;
- drafting a memorandum of sound governance (integrated in the Regular Supervisory Report);
- setting up advisory committees within the Board of Directors and determining their responsibilities.

## B.1.2. Management Board

### B.1.2.1. Composition

The Management Board consists of members that have acquired professional experience in the insurance or finance sector.

The Board of Directors sets the number of members of the Management Board. The Management Board consists of minimum three members of which at least three are simultaneously members of the Board of Directors. It is composed exclusively of natural persons.

The members of the Management Board form a college.

On 31 December 2025, the Management Board consists of 6 members and is composed as follows:

Chairperson	
FRÉDÉRIC VAN DER SCHUEREN	Chairman of the Management Board of Belfius Insurance NV Chief Executive Officer
Members	
MATTHIAS BAILLIEUL	Member of the Management Board of Belfius Insurance NV Chief Financial Officer
ELS BLATON	Member of the Management Board of Belfius Insurance NV Executive Director DVV & Beyond
LAURENT GOUDEMANT	Member of the Management Board of Belfius Insurance NV Executive Director Life
EMMANUEL MICHIELS	Member of the Management Board of Belfius Insurance NV Chief Risk Officer
DANIELA RIZZO	Member of the Management Board of Belfius Insurance NV Executive Director Non-Life (resigned with effect from 01/01/2026)

### B.1.2.2. Mission & responsibilities

#### B.1.2.2.1. Powers

The Management Board constitutes a collegial body to which the same powers as a management committee (*conseil de direction/directieraad*) referred to in the Companies and Associations Code are transferred, without prejudice to the provisions of the Solvency II Act. The powers transferred to the Management Board cannot be exercised concurrently by the Board of Directors.

A distribution of tasks may be agreed within the Management Board. Such distribution of tasks does not affect the collegial responsibility of all the members of the Management Board.

#### B.1.2.2.2. Responsibilities

The Overarching Circular lists in a non-exhaustive manner the tasks of the Management Board:

- Implementing the strategy laid down by the Board of Directors and management of the business;
- Implementing the risk management system;
- Introducing, monitoring and assessing the organisational and operational structure;
- Implementing the integrity policy established by the Board of Directors (covering in particular conflicts of interest, whistleblowing, rules on the prevention of money laundering and terrorist financing) by translating them into concrete procedures and processes;



- Reporting to the Board of Directors and the NBB; and
- The Board of Directors and Management Board shall determine the scope and frequency of the internal evaluation of the governance system, taking into account the nature, scale and complexity of the company's activity, both at an individual and group level, as well as the structure of the group.

The above list sets out the main tasks of the Management Board but is without prejudice to any other relevant legal, regulatory or statutory provisions (including, e.g., any relevant provisions of the Solvency II Act, Companies and Associations Code or of the Articles of Association of Belfius Insurance).

The Management Board communicates to the Board of Directors the relevant information to enable it to make informed decisions, to the extent possible during the Board of Directors following the Management Board during which the relevant information has been discussed. 'Any relevant information' means information needed by the Board of Directors to exercise their role, responsibilities and powers as described in the Internal Rules of the Board of Directors.

## B.1.3. Advisory committees created by the Board of Directors

### B.1.3.1. Audit Committee

#### B.1.3.1.1. Composition

The Audit Committee is composed of at least three members who are exclusively non-executive members of the Board of Directors of Belfius Insurance and at least the majority of its members qualifies as an independent director in accordance with article 15, 94° of the Solvency II Act.

The members of the Audit Committee have a collective expertise in the field of operations of Belfius Insurance and in the field of accounting and audit and at least one member of the Audit Committee is competent in the field of accounting and/or audit.

On 31 December 2025, the composition of the Audit Committee is as follows:

Chairperson	
JEAN-MICHEL KUPPER	Independent director of Belfius Insurance NV
Members	
CÉLINE AZIZIEH BOCKSTAEL	Independent director of Belfius Insurance NV
STÉPHANE SLITS	Independent director of Belfius Insurance NV
MARIANNE COLLIN	Non-executive director of Belfius Insurance NV, Member of the Management Board (Chief Financial Officer) of Belfius Bank NV

#### B.1.3.1.2. Responsibilities and powers

The Audit Committee assists the Board of Directors in the execution of its monitoring and audit responsibilities.

Pursuant to article 49 of the Solvency II Act and article 7:99, §4 of the Companies and Associations Code, the Audit Committee is responsible for at least the following tasks:

- communication to the Board of Directors of information on the results of the statutory audit of the annual accounts and of the consolidated accounts and of explanations on how the statutory audit of the annual accounts and of the consolidated accounts contributed to the integrity of the financial information and the role that the Audit Committee played in this process;
- follow up on the process of preparing financial information and presenting recommendations or proposals to guarantee its integrity;
- follow up on the effectiveness of the company's internal control and risk management systems, as well as monitoring internal audit and its efficiency;
- follow up on the statutory audit of the annual accounts and the consolidated accounts, including the monitoring of questions and recommendations made by the statutory auditor;
- examination and follow-up of the independence of the statutory auditor, in particular as regards the provision of additional services to the company;
- recommendation to the company's Board of Directors for the appointment of the statutory auditor.

The Audit Committee may request all information or documents that it deems of value and carry out investigations and audits, or have investigations and audits carried out, on any matter pertaining to its scope of competences. In that context, the Audit Committee may have an investigation or specific audit mission carried out by the Internal Audit.



## B.1.3.2. Risk & Underwriting Committee

### B.1.3.2.1. Composition

The members of the Risk & Underwriting Committee are appointed by the Board of Directors and the committee is made up of at least three members, as determined by the Board. The committee members must be non-executive directors. At least one member of the Risk & Underwriting Committee must be an independent director in accordance with article 15, 94° of the Solvency II Act.

On 31 December 2025, the Risk & Underwriting Committee consists of 4 members, of whom 3 members are independent directors, and is composed as follows:

Chairperson	
RUDI VANDER VENNET	Independent director of Belfius Insurance NV Non-executive director of Belfius Bank NV
Members	
CÉLINE AZIZIEH BOCKSTAELE	Independent director of Belfius Insurance NV
MARIANNE COLLIN	Non-executive director of Belfius Insurance NV Member of the Management Board (Chief Risk Officer) of Belfius Bank NV
JEAN-MICHEL KUPPER	Independent director of Belfius Insurance NV

### B.1.3.2.2. Responsibilities and powers

The task of the Risk & Underwriting Committee is to advise the Board of Directors in the exercise of its duties and to make recommendations in this regard.

The Risk & Underwriting Committee has the following advisory powers and responsibilities:

#### that are directly or indirectly required by regulation:

- to discuss the risk appetite and strategy of the company and to provide recommendations in this matter to the Board of Directors;
- to analyse the allocation of risk appetite within the various risk categories, as well as the risk measures and limits for managing and restricting major risks (e.g. overall ALM limits) and to provide recommendations in this matter to the Board of Directors;
- to discuss the capital and liquidity requirements and objectives of the company and to provide recommendations in this matter to the Board of Directors;
- to assess the forward-looking management of the capital needs (in relation to risk) and capital availability (in relation to finances) from a regulatory and business point of view

in order to support the company's operating and risk strategy and to provide recommendations in this matter to the Board of Directors. Forward-looking management may include directing the business line in connection with specific types and a mix of products from the assets and liabilities;

- to assess the risk profile of the insurance company in the light of performance in relation to risk appetite, risk trends and risk concentrations and to provide recommendations in this matter to the Board of Directors;
- to provide advice about major transactions and strategic new business proposals that have a significant impact on the company's risk appetite;
- to provide advice about major transactions regarding liabilities management when statutory equity capital is involved;
- to examine and analyse the management reports from the management about the nature and extent of the risks the company has to deal with, which the committee may have to tackle in order to carry out its duties and to provide recommendations in this matter to the Board of Directors, such as:
  - the quarterly risk report (including risk appetite indicators);
  - the stress test results;
- to supervise and give advice to the Board of Directors about existing risk positions and the future risk strategy, including the macro-economic environment;
- to assess the effectiveness of the Risk Management Function, including the organisation structure and main procedures, as well as the extent to which the risk analysis complies with best practices for the sector and the general state of business and to provide recommendations in this matter to the Board of Directors;
- to provide advice about the Own Risk and Solvency Assessment process (ORSA), to ensure that it is a current Risk/Finance process that is also included in drawing up the annual budget;
- to analyse external risk and financial reports and studies: Pillar 3 report, EBA stress tests and to report and provide recommendations in this matter to the Board of Directors;
- to work with the Remuneration Committee in particular to ensure that the total amount drawn down for variable remuneration and the performance targets included in the remuneration policy are compatible with the company's risk profile;
- to analyse the activity reports of the compliance function, validate the action plan compliance and analyse the reports of the risk management function and actuarial function;
- to report and formulate recommendations at least annually to the Board of Directors on the activities of the persons responsible for the risk management, compliance and actuarial functions, for which the Management Board is informed.

#### that are relevant for monitoring risk:

- analysing reports about selected topics relating to risk/insurance, such as changes in the regulations, which the committee deems appropriate from time to time.



### B.1.3.3. Intra-Group Committee

An Intra-Group Committee has been set up within the Belfius Group.

#### B.1.3.3.1. Composition

The Intra-Group Committee is composed of five non-executive directors with relevant operational management experience:

- The chairperson of the Board of Directors of Belfius Bank, who chairs the Intra-Group Committee;
- Two non-executive directors of Belfius Bank, who are not members of the Board of Directors of Belfius Insurance;
- Two non-executive independent directors of Belfius Insurance, who are not members of the Board of Directors of Belfius Bank.

The majority of the members of the Intra-Group Committee should be independent directors.

On 31 December 2025, the composition of the Intra-Group Committee is as follows:

Chairperson	
CHRIS SUNT	Chairman of the Board of Directors of Belfius Bank NV
Members	
COLETTE DIERICK	Independent director of Belfius Bank NV
OLIVIER GILLEROT	Independent director of Belfius Bank NV
JEAN-MICHEL KUPPER	Independent director of Belfius Insurance NV
STÉPHANE SLITS	Independent director of Belfius Insurance NV

#### B.1.3.3.2. Responsibilities and powers

The Intra-Group Committee's competences comprise the following:

- Monitoring and reporting on significant intra-group transactions;
- Monitoring and reporting on intra-group transactions with an important reputational impact; and
- Advising on material conflicts of interest between companies belonging to the Belfius Group in the context of which they fail to reach an agreement in a relatively short period of time.

### B.1.3.4. The Nomination Committee

A Nomination Committee has been established within the Board of Directors of Belfius Bank and is also responsible for Belfius Insurance and its subsidiaries.

#### B.1.3.4.1. Composition

The Nomination Committee is composed of non-executive directors of Belfius Bank, including a majority of independent directors of Belfius Bank.

On 31 December 2025, the composition of the Nomination Committee is as follows:

Chairperson	
LUTGART VAN DEN BERGHE	Non-executive director of Belfius Bank NV
Members	
DANIEL FALQUE	Independent director of Belfius Insurance NV Independent director of Belfius Bank NV
LIEVE MOSTREY	Independent director of Belfius Bank NV

#### B.1.3.4.2. Competences and responsibilities

The Nomination Committee is responsible for Belfius Bank, Belfius Insurance, Belfius Asset Management and, as the case may be, their subsidiaries in the context of the nomination policy and observance of the rules of corporate governance.

The Nomination Committee:

- identifies and recommends, for the approval of the general meeting of shareholders or, as the case may be of the Board of Directors, candidates suited for 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;
- gives an opinion on candidate(s) suited to filling vacancies for independent control functions according to the Fit & Proper, Suitability and Succession Policy;
- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;



- periodically assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Boards of Directors, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations for the Board of Directors;
- as the case may be, gives an opinion or recommendation on reputational issues related to (non-)executive director(s);
- plans the renewal and orderly succession of directors and persons responsible for independent control functions.

In performing its tasks, the Nomination Committee ensures that decision-making within the Board of Directors is not dominated by one person or a small group of persons, in a way which might be prejudicial to the interests of Belfius Bank and of Belfius Insurance as a whole.

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 Boards of Directors;
- of the chairperson of the Board of Directors;
- of the chairperson and members of the Management Board.

To that end, 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 directors, listing the skills, knowledge and experience necessary 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.

The Nomination Committee:

- ensures the application of provisions with regard to corporate governance in force for (regulated) non-listed institutions (soliciting public savings) and ensures observance of the procedures and transparency, in particular in the work of the Board of Directors;
- prepares proposals for amendments to the internal rules of the Board of Directors and the Management Board;
- discusses the internal rules for the evaluation of the suitability of members of the Management Board, non-executive Directors, and heads of independent control functions;
- discusses (the internal rules for) the recruitment, assessment and training of the members of the Management Board, non-executive directors, and heads of independent control functions suited to the needs of the Belfius Group;
- discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions to be taken to remedy this;
- discusses general human resources topics.

### B.1.3.5. Remuneration Committee

A Remuneration Committee has been established within the Board of Directors of Belfius Bank and is also responsible for Belfius Insurance.

#### B.1.3.5.1. Composition

The Remuneration Committee is composed of non-executive directors of Belfius Bank, including a majority of independent directors of Belfius Bank.

On 31 December 2025, the composition of the Remuneration Committee is as follows:

Chairperson	
LUTGART VAN DEN BERGHE	Non-executive director of Belfius Bank NV
Members	
DANIEL FALQUE	Independent director of Belfius Insurance NV Independent director of Belfius Bank NV
OLIVIER GILLEROT	Independent director of Belfius Bank NV
CHRIS SUNT	Chairman of the Board of Directors of Belfius Bank NV



### B.1.3.5.2. Competences and responsibilities

The Remuneration Committee is responsible for Belfius Bank, Belfius Insurance and Belfius Asset Management and, as the case may be, any other subsidiary of the Belfius Group. It supports and advises the Boards of Directors on the design of the remuneration policy and is involved in the preparation of decisions on the remuneration of members of the management function and other material risk takers.

The Remuneration Committee:

- is responsible for preparing decisions of the Board of Directors relating to remuneration, particularly decisions which have consequences regarding risks and risk management, on which the Board of Directors / the general meeting of shareholders must take a decision;
- gives advice to the Board of Directors concerning the remuneration policy of staff and any changes made there to;
- prepares decisions concerning the individual remuneration of:
  - the chairperson of the Board of Directors and non-executive directors as well as members of the advisory committees;
  - the chairperson of the Management Board;
  - the members of the Management Board;
  - the heads of independent control functions.
- gives advice on the proposal from the chairperson of the Management Board on the severance payments for members of the Management Board. On the proposal of the Remuneration Committee, the Board of Directors fixes the severance payments of the chairperson and of the members of the Management Board;
- reviews the evaluation process for Key Risk Takers (KRTs), assessing its relevance, objectivity, and consistency, as well as compliance with the Group's remuneration policy, risk management, and strategic goals. The Committee ensures the process avoids inappropriate incentives, upholds fairness and transparency, and helps prevent conflicts of interest. Its opinion is then submitted to the Board of Directors, which makes the final decision;
- prepares the remuneration report which is integrated in the annual report by the Boards of Directors of Belfius Bank and Belfius Insurance;
- periodically checks with the management if the remuneration policy and remuneration systems have achieved their objective and comply with the provisions in force;
- exercises direct control over the remuneration of the heads of independent control functions. It must also check if Risk indicators are respected;
- discusses HR subjects relating to remuneration.

### B.1.3.6. Technology Committee

The Technology Committee has been established within the Board of Directors of Belfius Bank and is competent for the Belfius Group.

#### B.1.3.6.1. Composition

The Technology Committee is composed of at least three non-executive directors of Belfius Bank and one independent director of Belfius Insurance.

On 31 December 2025, the composition of the Technology Committee is as follows:

Chairperson	
OLIVIER GILLEROT	Independent director of Belfius Bank NV
Members	
DANIEL FALQUE	Independent director of Belfius Insurance NV Independent director of Belfius Bank NV (resigned as member of the Technology Committee with effect from 01/01/2026)
JEAN-MICHEL KUPPER	Independent director of Belfius Insurance NV
LIEVE MOSTREY	Independent director of Belfius Bank NV

#### B.1.3.6.2. Competences and responsibilities

The competences of the Technology Committee can be divided into three domains:

- The first domain relates to information technology in the broad sense, including but not limited to cloud- and other platforms, IT security, software development; hereinafter called the 'IT' domain;
- The second domain relates to digital, impact on and transformation of the customer experience; hereinafter called the 'Digital' domain; and
- The third domain relates to data and artificial intelligence; hereinafter called the 'Data' domain.

Technology is understood to include, but not be limited to the IT, Digital and Data domains.

The competences of the Technology Committee comprise the following:

- Advise the Board of Directors on, and propose/recommend the decisions of the Board of Directors with respect to technology strategy and material technology investment choices;



- Monitor, evaluate and advise the Board of Directors on existing and future technology, digital, data and AI trends, regulation and competition / FinTech developments that may affect Belfius' strategic plans, including the monitoring of overall industry trends and future trends concerning enterprise data management, and the financial industry's use of data to maximise the customer experience value;
- Assess, measure and advise the Board of Directors on Belfius' technological strategic milestones and transformational developments, such as customer experience and potential partnerships;
- Monitor and report to the Board of Directors on progress made with regard to the implementation of the technology, digital, data and AI decisions taken by the Board of Directors, including but not limited to, technology performance and security. This includes, inter alia, monitoring and challenging of (timing, pace, risk mitigation, hybrid models, talents) IT infrastructure, cloud, foundations and platforms;
- Review and discuss reports from management on technology related activities, strategies and metrics, including corporate data project performance, and report to the Board of Directors on same.

## B.1.4. Remuneration policy and practices

### B.1.4.1. General principles

The Board of Directors sets the remuneration of the members of the Management Board at the proposal of the Remuneration Committee and on the recommendation of the chairperson of the Management Board.

The Remuneration Committee is assisted in its task by the departments Risk, Human Resources, Compliance, Legal and Tax. If necessary, it can also seek assistance from external independent consultants and experts in remuneration.

The Remuneration Committee formulates proposals to the Board of Directors with regard to the remuneration policy for categories 1 and 2 of employees described in the remuneration policy for the Belfius Group. Category 1 includes members of the Board of Directors of Belfius Bank and Belfius Insurance (executive directors). Category 2 concerns members of staff whose activities have a significant impact on the risk profile of the Belfius Group, including senior management and individuals who occupy risk-taking positions or independent control functions and staff whose total remuneration places them on the same level of remuneration as senior management.

In certain special cases, the Remuneration Committee may advise to deviate from the remuneration policy on the basis of a reasoned proposal from the chairperson of the Management Board (for example for reasons of retention/conforming to the market). If this is the case, the Board of Directors will take a decision based on the recommendation of the Remuneration Committee.

The consequences of the remuneration policy in terms of risk and the management of risks are analysed overall by HR Group in cooperation with the Risk & Underwriting Committee and the Board of Directors.

The main remuneration principles applicable to the non-executive directors, the members of the Management Board, the managers of independent control functions and the employees are as set out below.

### B.1.4.2. Remuneration of the non-executive directors

The general meeting of shareholders of Belfius Insurance determines the remuneration of non-executive directors for the exercise of their mandates.

Non-executive directors receive a fixed annual remuneration for the execution of their mandate, plus attendance fees based on their presence at meetings of the Board of Directors or of the advisory committees.

Non-executive directors with two mandates within the Belfius Group will receive for their first mandate a full fixed remuneration and for their second mandate within a Belfius entity, a fixed remuneration is added amounting to half of the full remuneration of a mandate within this second Belfius entity. Attendance fees are allocated based on the directors' effective presence at meetings of the Board of Directors and at the various advisory committees.

### B.1.4.3. Remuneration of the members of the Management Board

The Board of Directors sets the remuneration of the members of the Management Board at the proposal of the Remuneration Committee and on the recommendation of the chairperson of the Management Board .

In order to offer remuneration in line with the market, the Remuneration Committee regularly requests a benchmark study. It makes a proposal to the Board of Directors for determining the reference group of companies to be included in the benchmark, as well as the positioning of the Belfius Group in relation to this reference group.



The fixed remuneration of the members of the Management Board forms the base on which the performance-related remuneration is calculated. This remuneration is subject to the required statutory, regulatory and contractual stipulations.

The performance related remuneration is determined on the basis of benchmark studies and of circumstances specific to the company.

The target for performance-related remuneration is a certain percentage of the annual fixed remuneration and is set, in principle, each year by the Remuneration Committee and approved by the Board of Directors. The performance-related remuneration may be lower/higher than this target if the objectives have not been achieved or if they have been exceeded or in execution of executive statutory, regulatory or contractual provisions. The performance-related remuneration is subject to a maximum percentage.

The main features of the supplementary pension scheme of the members of the Management Board and early retirement from the Management Board are as follows: The guarantees covered by the group insurance policy taken out by Belfius Insurance for the benefit of the members of the Management Board, from 1 June 2012, are based on:

- Pension lump sum of the defined contribution type;
- Cover for ancillary risk.

#### B.1.4.4. Remuneration of the managers of independent control functions

The Chief Risk Officer is given targets that are related to the (consolidated) operating result, but the weighting of these targets is limited in order to guarantee the impartiality of the CRO's decisions. The other independent control functions (Chief Audit Executive, Compliance Officer and the Actuarial Function) are not given any targets that are related to the (consolidated) operating result. Their performance-related remuneration is based on a number of financial and non-financial quantitative and qualitative criteria.

The managers of independent control functions (excluding the CRO) fall under the same group insurance scheme subscribed by Belfius Insurance for members of staff.

#### B.1.4.5. Employees

The remuneration package of the employees includes both a fixed and variable component. A distinction is made between managerial and non-managerial staff.

Managerial staff (kaders/cadres) are entitled, in addition to their fixed remuneration, to a performance-related remuneration of which the amount is determined based on the function level, the achievement of individual objectives and the collective results of the organisation.

Non-managerial staff (bedienden/employés) are entitled, in addition to their fixed remuneration, to a salary bonus which is negotiated annually with the unions, of which the amount is determined based on the achievement of a number of operational KPI's.

## B.1.5. Shareholder structure

### B.1.5.1. Structure

As of the date of this report, the registered capital of Belfius Insurance amounted to EUR 567,425,226.84, represented by 2,579,938 registered shares, each representing 1/2,579,938 of the capital.

The shares in Belfius Insurance are owned by Belfius Bank (2,579,937 shares) and by Belfius Asset Finance Holding (one share).

The shareholders of Belfius Insurance contribute to the proper, prudent management of Belfius Insurance, as well as to its sound governance and sustainable development.

### B.1.5.2. Strategic objectives

Looking ahead to Belfius 2030, Belfius Insurance is entering a new strategic phase with the purpose of "unlocking potential with optimism". The goal is to shape the future of protection and financial well-being, leveraging technology and underpinned by financial and risk excellence in an increasingly volatile environment. This ambition will be translated in core ambitions:

- Focus on the development of Pension and Investment products to become Belgium's leading pension reference while continuing to protect families and entrepreneurs;
- Position Belfius as a unified bank-insurer, offering a data-driven and personalized experience;
- Seize the digital insurance opportunity in Belgium and beyond through advanced data and AI capabilities;
- Leverage deep client relationships and market proximity to achieve exceptional customer satisfaction.

Workforce & Technology will act as key enablers of the strategic plan for growth.



## B.1.6. Major transactions

The implementation of the agreement for the transfer of Belfius Insurance's collective health portfolio to Alan Insurance was signed in 2024, with the effective transfer scheduled on January 1st, 2026.

In parallel, an agreement was signed with MedExel, which ceased its activities at the end of 2025, to ensure continuity through the MedExel/Promeris platform, with a new claims management framework handled by Alan Insurance and Vanbreda starting in 2026, while Belfius Insurance provides transitional support until December 31st, 2026. An agreement with Vanbreda was also signed for this purpose.

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## B.2. Competence and honourability (Fit & Proper requirements)

### B.2.1. Requirements

Each director, each member of the Management Board and each manager of independent control functions (i.e. Internal Audit, Compliance, Risk Management and Actuarial Function) (hereinafter: "key functions") must possess, when appointed, as well as throughout the time she/he exercises her/his function, the required expertise and professional integrity.

The persons exercising these key functions must meet the requirements relative to the expertise ("Fit") and professional integrity ("Proper") that are described in the "Fit & Proper Policy" of Belfius Insurance. These requirements imply that each holder of a key function must be fit for the function carried out by her/him and also satisfy the "Fit & Proper" assessment standards. The "Fit & Proper" standards are those set out by the NBB, as the supervisory authority, in its circular NBB\_2018\_25 dated 18 September 2018 on the suitability of directors, members of the management committee, responsible persons of independent control functions and senior managers of financial institutions and in the Fit & Proper Handbook dated 20 December 2022.

A function profile is established by Belfius Insurance and is adjusted to suit the required position. Each function profile is then provided to the NBB at the time the candidate's file is submitted. Regular assessments are made of the aptitude of the holders of key functions.

### B.2.2. Process

Before taking up a position or when changing functions, the following steps are applicable and common to all key functions:

- The potential candidates will be subject to an extensive (individual and/or collective) suitability screening and due diligence exercise, consisting of:
  - an interview and review by the executive search firm of the potential candidate's background, skills and experiences against the agreed function profile;
  - a detailed "fit & proper" assessment by the Nomination Committee in accordance with the relevant regulatory and legal provisions, including, amongst others, the assessment of a potential candidate's track record, reputation, references and curriculum vitae, as well as a verification of the candidate's criminal record and degrees; and
  - an interview with the members of the Nomination Committee (for non-executive directors), with HR and the chairperson and/or members of the Management Board and the Nomination Committee (for executive directors) or with the chairperson and/or members of the Management Board, the chairperson and/or members of the Audit/Risk and Underwriting Committee and the Nomination Committee (for heads of the independent control functions) in function of commitment, character, experience and fit of the potential candidate;
- The screening will be based upon the information provided by the potential candidate, as well as upon information received from alternative sources, such as past employers/colleagues, associations of directors, publicly available information, etc;
- Following the approval of the proposed candidate(s) by the relevant corporate body, the General Secretary informs the supervising authority of the intention to nominate and subsequently appoint the potential candidate(s). For each requested suitability assessment, the General Secretary shall provide the NBB with a duly completed "fit & proper" form, as well as with all information and/or accompanying documents required by the relevant regulations.



## B.3. Risk management system including the own risk and solvency assessment

### B.3.1. Risk management task

The mission and role of the risk department is to define and implement a robust risk management framework that encompasses:

- an acceptable risk appetite framework taking into account the business strategy;
- a set of independent and integrated risk measures for different types of risks completed with internal limits and triggers consistent with the approved risk appetite;
- an effective process to identify, measure, assess and define adequate responses to the risks Belfius Insurance and its subsidiaries face in the short and in the long term;
- a suitable reporting to make management aware of the overall risk profile in order to ensure appropriate decision-taking as well as clear risk recommendations.

The Risk Management Framework defines in greater details the mission of the risk department. It defines the framework in which the entirety of the strategies, processes and procedures are developed in order to identify, assess, monitor, manage and report the risks that Belfius Insurance may face.

### B.3.2. Objectives of the risk management department

The following objectives are defined for the Risk department:

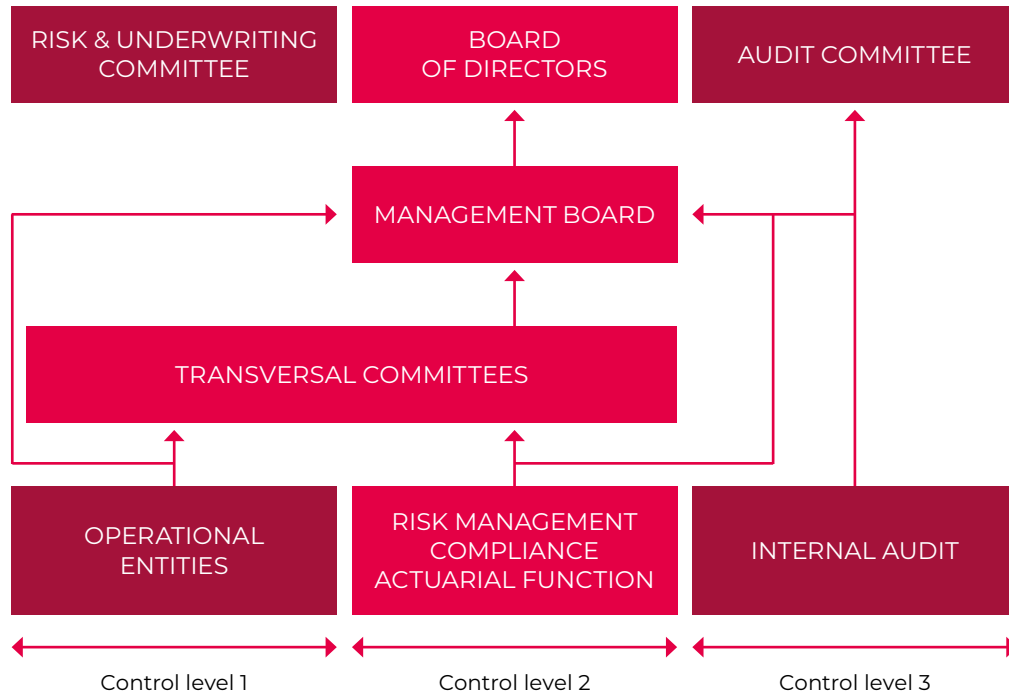
- define a Risk Appetite Framework for the insurance activities that is consistent with the Group approach;
- monitor and manage market, credit, ALM and liquidity risks, underwriting & reserving risks and non-financial and strategic risks for Belfius Insurance with due consideration for the related sustainability risks;
- optimise the Belfius Insurance risk profile, in line with its strategy, and in collaboration with the business departments;
- promote and encourage the risk culture within the company and implement the Risk Management practice driven by Solvency II principles;
- monitor the climate risks on the entire balance sheet and the regulatory developments on sustainability;
- implement risk assessment methods for each of Belfius Insurance's activities and operating entities to which the Risk Management Framework applies;
- successfully integrate subsidiaries within Belfius Insurance from a risk management perspective and implement best practices in all operational entities;
- ensure compliance with local and international legal and regulatory reporting requirements (in collaboration with the Finance Department);
- ensure the transversal coordination of the ORSA process.

The risk management department does not manage compliance, fiscal or legal risks, which fall within the competence of specific departments.

### B.3.3. Governance of risk management

#### B.3.3.1 Overall view

Risk Management at Belfius Insurance has built up its risk organisation in order to increase the role of the risk management function and to embed risk processes in a more structured and organised way throughout the whole firm as expressed in the scheme below.



The internal control in the operational entities (control level 1) comprises the follow-up of the execution of key controls and ensures due implementation of action plans established to improve these key controls.

The teams that must specifically ensure effective risk management are:

- the Risk Management team (control level 2) under the responsibility of the Chief Risk Officer (CRO), member of the Management Board of Belfius Insurance, tasked with the supervision of the risk management policy. This team defines lines of action for limits and delegated powers, monitors and measures the total risks, and awakes the implementation of harmonised methods in the different entities;
- the Actuarial Function (control level 2), reporting to the CRO of Belfius Insurance, aims at providing a measure of quality assurance for the actuarial calculations and underlying hypotheses related to the technical provisions, the underwriting and the reinsurance program;

- the Compliance Officer (control level 1 and 2) ensures compliance with the integrity policy and the development of the ethics policy in Belfius Insurance. The Compliance Officer reports to the CRO of Belfius Insurance;
- the Internal Audit (control level 3) reports administratively to the Chief Executive Officer (CEO), and functionally to the chairperson of the Audit Committee. Internal Audit monitors the implementation and proper application of the internal control process (level 1 and level 2).

The transversal committees see to the follow-up of the various aspects of the management of risks to which Belfius Insurance is exposed.

On top of that, transversal committees<sup>(1)</sup> manage issues that are transversal to several departments. In that context, the risk department is required to express an independent opinion on the topics that are discussed during the meetings of the transversal committees. This opinion is binding. If no consensus is reached, an escalation process is defined to take the final decision.

Those committees report to the Management Board which reports to the Board of Directors. To provide the Board of Directors with advice on risk-related topics, two specific advisory committees within the Board of Directors have been created: the Risk & Underwriting Committee and the Audit Committee.

The Risk Management Framework provides more details on the different parties involved in the management of the risks that Belfius Insurance faces in its activities.

### B.3.3.2. Roles and responsibilities

#### B.3.3.2.1. Board of Directors

The Board of Directors plays a key role in the risk management process by ensuring that an appropriate response is given to the risk which Belfius faces.

As a consequence, the Board of Directors:

- defines and validates the risk management strategy, as well as the risk management framework and policies;
- defines and validates the risk appetite in line with the overall strategic objectives;
- ensures that the Management Board has integrated risk management well and that all necessary means have been implemented in order to identify, measure, monitor and respond to risks;
- ensures that the internal audit function regularly reviews risk management;

(1) Main transversal committees are: Asset and Liability Committee (ALCO), Direct Property Committee and Brand Committee.



- defines the terms of performance of the ORSA process through the validation of the ORSA policy; and
- validates the capital and business management strategy in the light of the results of the ORSA.

This is applied, mutatis mutandis, to the role of the Board of Directors of subsidiaries subject to the Risk Management Framework.

Within the context of risk management, the Board of Directors must ensure that strategic decisions and policies are compatible with the structure, size and specific features of group entities. It also ensures that specific activities and the associated risks of each group entity are covered, and moreover that the risk management of the insurance group is integrated, coherent and effective.

#### B.3.3.2.2. Management Board

The Management Board has various responsibilities in the risk management of Belfius Insurance, since:

- it is responsible for the implementation of the risk management system. This system is aligned to the definition of policies, processes and procedures which will enable Belfius Insurance to identify, monitor and respond to the risks to which the group is subject;
- it regularly reviews the risk limits/tolerance proposed by the risk management department;
- it constitutes the risk management function and establishes all the means necessary to identify, measure, monitor and respond to risks;
- it ensures the regular monitoring of real levels of risk with regard to limits and triggers, and takes measures in case of non-observance. In particular, it sees to the monitoring of operational risks by reporting operating incidents;
- the CRO regularly informs the Board of Directors (directly or via the Risk & Underwriting Committee) of matters related to risk management;
- it challenges the performance and results of the ORSA process;
- it validates qualitative and quantitative reports on risks prior to them being sent to the NBB;
- it approves and monitors the principal assumptions used in the risk models;
- it decides on the management of capital and its allocation to entities/activities of Belfius Insurance;
- it monitors the use of capital and steers the solvency ratios of the Belfius Insurance;
- the following responsibilities fall directly within the competence of the Management Board and not the committees: approval of policies, guiding the ORSA and validating assumptions.

### B.3.4. Interaction with the subsidiaries

Belfius Insurance ensures a risk management function which is equipped with competent personal resources and adequate systems. Each subsidiary can rely on these resources but has the ultimate responsibility to put in place a risk management system for assessing and monitoring its own risks.

Each subsidiary as such will have in place its individual risk management strategy, but this strategy will be aligned to the risk strategy of Belfius Insurance, similar to Belfius Insurance aligning its risk appetite to the risk appetite at Belfius Bank level. The local Risk Appetite policy has to be approved by the local Board of Directors. The local Management Board will monitor its key risk indicators on a quarterly basis and report their status to its Board of Directors. Further to the Risk Appetite policy, each individual risk policy will also be submitted to their Board of Directors.

Belfius Insurance's risk taxonomy applies to its subsidiaries in the scope of this risk management framework. The individual assessment processes, including operational risk assessments, internal risk control, and ORSA (if required) will be aligned with those of Belfius Insurance.

Belfius Insurance applies the transparency-rule when handling the asset holding companies for the calculation of its risk indicators.

Correspondents have been nominated at the subsidiaries' level in order to ensure a proper communication between the mother company and its subsidiaries.

Regular meetings are organised between Risk Management and the risk correspondents to ensure consistency in the risk management approaches. On top of that, some specific topics are directly discussed for the company and its subsidiaries by both the Reinsurance and the ALCO Group Committee.

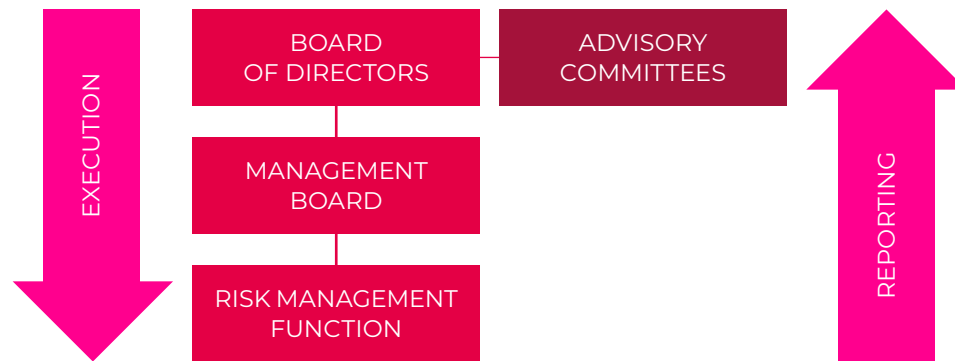
### B.3.5. ORSA process

ORSA starts as a top-down process owned by the Board of Directors. The Board of Directors elaborates the strategy and supervises the implementation of this strategy. The Board of Directors can be helped in its tasks by advisory committees, such as the Risk & Underwriting Committee (RUC) and the Audit Committee of Belfius Insurance.



The Management Board is the effective management of Belfius Insurance. Its main responsibility is to ensure that the company is in line with the strategy, the risks and policies approved by the Board of Directors. In this context, the Management Board leads and coordinates the different ORSA activities and supervises the management in the realisation of the ORSA.

**ORSA GOVERNANCE**



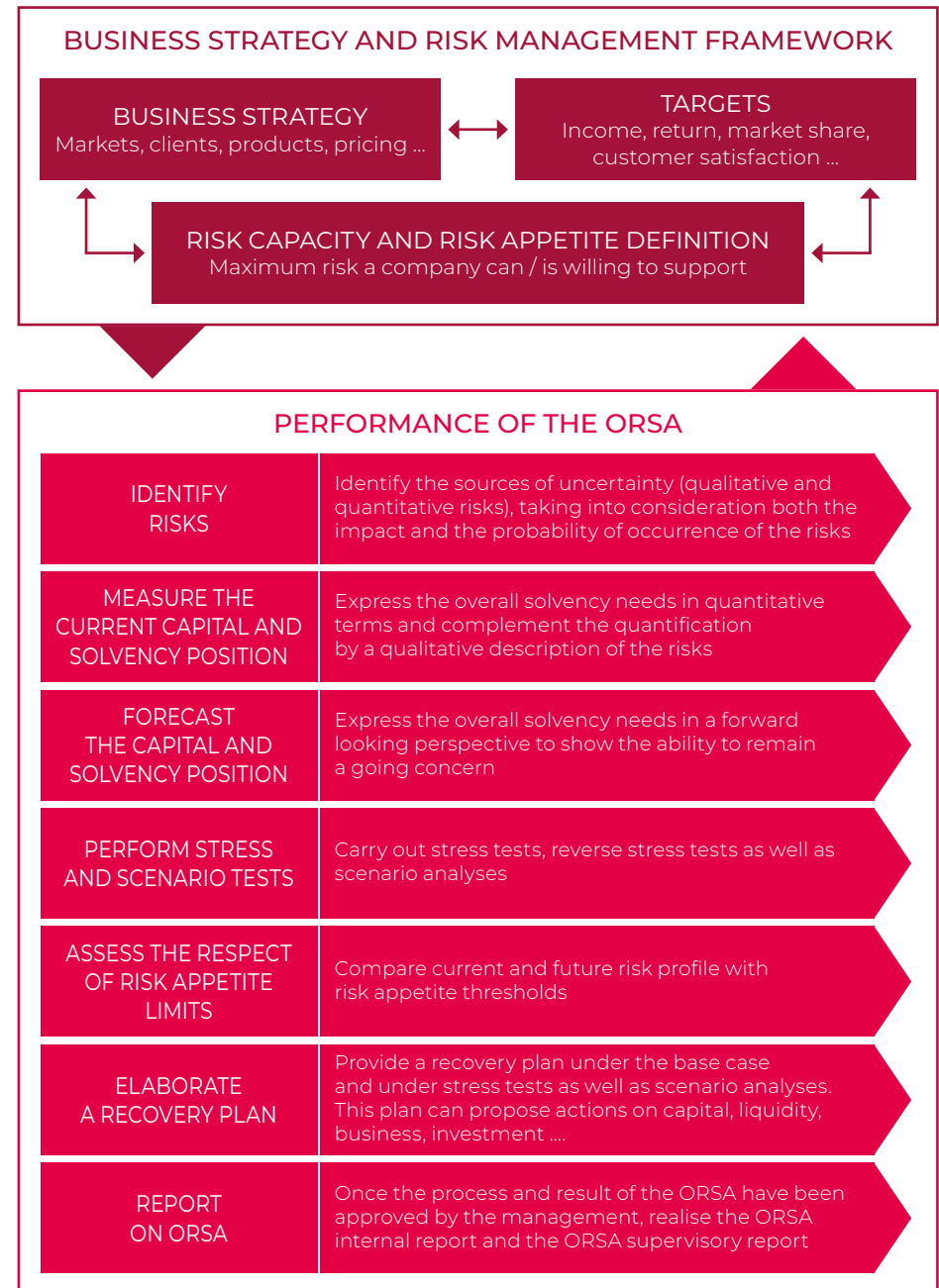
The Risk Management Function is responsible for the integration of all risk aspects in the management decisions and operational processes of the company. It therefore plays an active role in the ORSA implementation.

A parallel bottom-up process can then start. The ORSA process is performed according to the guidelines of the Board of Directors and results are consolidated in a reporting. This reporting is then sent to the Management Board, the RUC and the Board of Directors.

A pre-requisite to the ORSA performance is to have in place a business strategy, strategic targets as well as a risk appetite framework. There is then an articulation between the objectives of Belfius Insurance (financial and non-financial), its strategy and its risk appetite.

The performance of the ORSA itself consists of seven steps at Belfius Insurance.

This process is proportionate to the nature, scale and complexity of the risks inherent in the business of Belfius Insurance. It enables Belfius Insurance to properly identify and assess the risks it faces in the short and long term and to which it is or could be exposed.





### B.3.5.1. Identifying risks

The first step of the ORSA exercise is to identify and assess the material risks for Belfius Insurance. In that context, the Risk Identification and Cartography Assessment Process (RICAP) and internal control exercise allows to establish, in close collaboration with the different business departments, the risk profile of the different business departments and to list the risk mitigating actions that exist. It is performed annually and is defined as a 3-steps process including:

#### 1. Identification of risks (inherent risks):

- Inherent risks are the risks that an activity would pose if no controls or other mitigating factors were in place (the gross risks or risks before controls). To ensure consistency between the different entities of Belfius Insurance, a common risk glossary is used.
- The inherent risk level is determined by two factors: the potential impact and the probability of occurrence. The nature of the impact (financial / non-financial) may vary depending on the considered risk and process.

#### 2. Inventory and assessment of the controls related to the identified risks

- The existing controls related to the most important risks selected must be considered. A control is related to a risk if it reduces the potential impact of the risk or its occurrence probability. A risk can be covered by several controls.

#### 3. Assessment of the residual risk

- The residual risk is defined as the risk linked to the normal situation, based on the assumption that all existing controls have been considered, with their actual quality. The residual risk level is determined by the inherent risk level and the quality of controls.

The scope of these assessments includes all classes of risks: insurance, financial, operational, and strategic and reputation risks. This assessment is facilitated by Risk Management and the resulting risk profile is also an input for Internal Audit which they use as one of the inputs to draft up a risk-based Audit Plan. Afterwards the assessment is presented to the Management Board, to the RUC and finally to the Board of Directors.

This first step of the ORSA will allow to partially assess the significance of the deviation of the risk profile from the Solvency Capital Requirement (SCR), on a qualitative basis (deviations in the scope). Indeed, the risk identification and assessment will allow examining if all material risks are considered in the SCR calculation.

### B.3.5.2. Measuring current capital and solvency

The second step consists in a computation (and assessment) of the current SCR and Available Financial Resources (AFR). The own fund quality (tiering) will also be assessed. In this step, the Actuarial Function helps to ensure the continuous compliance with the requirements regarding the calculation of technical provisions and the risks arising from this calculation.

This step will allow assessing the overall solvency needs taking into account the specific risk profile of Belfius Insurance. Indeed, for the purpose of this stage, other metrics or models than the ones used for the SCR could be used if judged necessary. If valuation and recognition bases different from the Solvency II basis are used, it is justified how they ensure better consideration of the risk profile, approved risk tolerance limits and business strategy.

Doing so, this measurement of the current solvency position will take into account any significant deviation from the assumptions underlying the SCR.

### B.3.5.3. Forecasting capital and solvency

The assessment of the overall solvency needs is forward looking. Therefore the next step of the ORSA process consists in the projection of SCR and AFR along the business plan horizon (compliant with regulatory requirements). This forward-looking assessment aims at ensuring that solvency needs are covered all along the business plan horizon.

The baseline scenario that serves as input for the forecast exercise is realised by Financial Actuaries Life in close collaboration with the Risk, Strategic Planning and Performance Management (SPPM) and Investment departments. It includes assumptions on production levels, as well as economic assumptions used for the business plan.

In case solvency needs are not covered, the Management Board must be informed and take appropriate measures. The business plan may be reviewed. In this step, the Actuarial Function provides input concerning the continuous compliance with the requirements regarding the calculation of technical provisions and the risks arising from this calculation.

This step allows assessing the overall solvency needs taking into account the specific risk profile of Belfius Insurance and the own fund quality, both in a forward-looking perspective.

#### B.3.5.4. Determining and performing stress and scenario analyses

As part of the business and capital planning, Belfius Insurance carries out stress tests, reverse stress tests as well as scenario analyses to feed into its ORSA:

- Sensitivity testing is a method of stress testing which provides an assessment of the impact of a small or large predefined shock in a single specific risk factor;
- Scenario / stress testing is a forward-looking assessment of the impact of multiple changes in a single risk driver or multiple changes in multiple risk drivers;
- Reverse stress testing is a process of identifying and assessing the events and scenarios that might render a financial institution's business model unviable.

Those (reverse) stress tests and scenarios are proposed by the Risk department and validated by the Board of Directors. At least one stress test is in line with Belfius Bank. The other stress tests are chosen in function of an assessment of the major risks faced by Belfius Insurance of which the climate risk is required by the NBB ORSA circular.

The exercise of performing the stress tests is made in collaboration with the Risk department of Belfius Bank in order to ensure consistency in the approaches adopted for the ORSA and the ICAAP exercise;

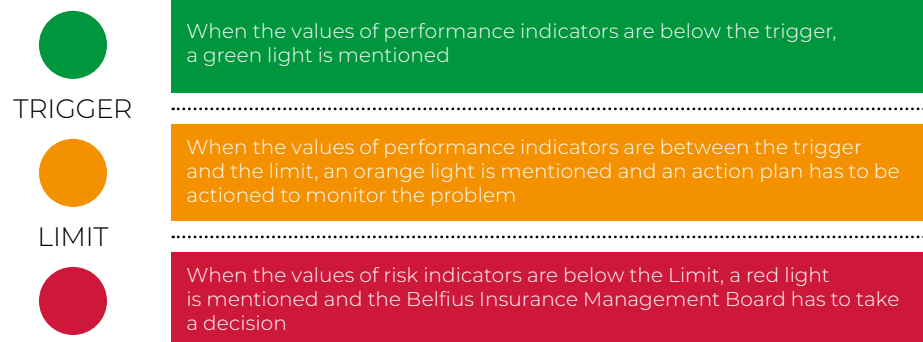
The performance of stress tests within the ORSA process is done annually or when there is a significant change in the risk profile of Belfius Insurance (ad-hoc ORSA). Other internal or regulatory stress tests are performed on request.

This exercise will allow assessing the overall solvency need and the compliance with the capital requirements in extreme situations. It will also help assessing the liquidity needs in such situations and the coverage ratio.

#### B.3.5.5. Assessing respect of risk appetite limits

Another important aspect of the ORSA relates to the risk appetite which expresses the maximum risk a company is willing to take to reach its business and strategic objectives, given the expectations of and the mandate received from the key stakeholders.

Within Belfius Insurance, a “traffic light” (red, orange, green) approach is adopted for the risk appetite.



The assessment of current and forecast solvency position and the stress testing allows measuring the actual and forecasted solvency position, in normal as well as in stressed situations.

In this step, one can assess the (non) respect of the risk appetite triggers and limits. This step is key in considering the link between risk profile, approved tolerance limits and overall solvency needs. It allows demonstrating the compliance of future business activities within group and entity risk appetite and limits.

#### B.3.5.6. Elaborate a recovery plan

As a result of the assessment previously performed, the company provides with a recovery plan under the base case and under stress tests and scenarios. It encompasses an action plan to deal with unexpected breaches in risk appetite indicators.

The recovery plan is realised by Risk in close collaboration with the business departments. For more details about the recovery plan and its management, please refer to the recovery plan 2024.

#### B.3.5.7. Report on the ORSA

The last step of the ORSA process is to produce a reporting on the realised exercise.

The reporting is prepared by Risk and presented to the Management Board, the RUC and the Board of Directors that finally approves it. Business department collaborate to the elaboration of the report.



## B.3.6. Contingency plans

### B.3.6.1. Crisis Management (CM)

The purpose of business continuity and crisis management is to build operational resilience in case of occurrence of an adverse event causing a disruption of (some of) its services and operations. Hence, operational resilience embodies the capability to deploy an effective response that

- quickly contains the impact;
- softens the distress;
- safeguards the interests of its key stakeholders, its reputation and its organisational assets;
- stimulates an open and direct crisis communication;
- enables to resume the very critical business activities within the agreed Recovery Time Objective.

Crisis management is the process by which an organisation deals with a disruptive and unexpected event that threatens the continuity of its operations in terms of handling the crisis and returning to operations.

The Business Continuity Framework (i) outlines Belfius' business continuity & crisis management; (ii) determines the general attitude towards business continuity risk; (iii) defines organisational roles and responsibilities and finally (iv) ensures adherence to applicable regulations.

Business Continuity & Crisis Management (BC & CM) addresses the following priorities in case of a crisis:

- Protect staff health & safety;
- Continue or resume the critical or important functions as well as the systemically and very critical business activities within their respective Recovery Time Objectives (RTO);
- Minimize damage by containing the impact and quickly recovering;
- Secure the reputation of Belfius;
- Safeguard Belfius' property and equipment as well as control financial impact;
- Minimize the impact for internal stakeholders (staff, shareholders, etc.) and external stakeholders (customers, regulators, etc.) as well as maintain communication with them;
- Comply with regulatory requirements, including notification process to regulators;
- Return to initial service level.

### B.3.6.2. Business Continuity Management (BCM)

Business Continuity Management (BCM) is a holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interest of its key stakeholders, reputation, brand and value-creating activities.

The Belfius Insurance policy, standards and guidelines are aligned with Belfius Bank. Belfius adopts the terminology, the code of practice and the specifications of the de facto standards on business continuity management as a reference (ISO 22301 standard).

Belfius uses the "Good Practice Guidelines" of the Business Continuity Institute as a guideline and the BC lifecycle as a framework. Belfius also complies with the prevailing regulations (PPB 2005/2, PPB 2004/5, PPB 2006-1-CPA, FSMA\_2009\_17 and NBB\_2015\_32).

Business Continuity Management mainly relies on:

- BCM strategies, which comply with the responding legislations and regulations imposed by the regulators;
- A Business Impact Analysis (BIA) which assesses the impact in time of a loss, interruption or disruption of business activities according to multiple criteria. The Recovery Time Objective (RTO) depends on the criticality of the business activity;
- The design of appropriate relocation strategies to provide continuity for its critical Business Activities. The main relocation strategies are based on "Dual Office" and "Remote Work". A "reverse" BCP has been created, relocating remote workers to the office;
- The implementation by means of a Business Continuity Plan which is a set of procedures, scenarios, call lists and tools and which is automated;
- An exercise and maintenance program, which validates previous elements and gives rise to lessons-learned with the intention to further improve the resilience of Belfius.

Belfius Insurance's line management reviews the BCM capability and program management at appropriate intervals to ensure its continuing suitability, adequacy and effectiveness.

Given the new way of 'hybrid' working, relying strongly on remote work in combination with occasional onsite presence, a "reverse" BCP has been created and is tested on a regular basis. This plan relocates remote workers to the office in order to provide continuity for the critical Business Activities.



## B.4. Internal control system

### B.4.1. Description of the internal control system

#### B.4.1.1. Internal control processes

The internal control system is a process giving reasonable assurance that the organisation's objectives, the effectiveness and efficiency of operations, the reliability of financial information and compliance with the laws and regulations will reach the desired level.

Like any control system, it is designed to reduce the residual risk to an acceptable level in accordance with Belfius Insurance's risk appetite.

More precisely, the internal control processes at Belfius Insurance are driven by five main objectives:

- checking the effectiveness of the risk management processes across the entire organisation;
- ensuring the reliability and pertinence of accounting and financial information;
- ensuring compliance of regulations and professional ethics rules, both internally and externally;
- improving the operations of Belfius Insurance whilst ensuring the effective management of existing means; and
- ensuring the operational effectiveness of all the business lines.

#### B.4.1.2. Governance of the internal control system

In accordance with the instructions of the Board of Directors, the Management Board of Belfius Insurance leads and coordinates the various business lines.

In order to ensure the smooth operation and development of Belfius Insurance, the Management Board is ultimately responsible for the establishment and maintenance of an appropriate internal control system. It defines and coordinates the management policy of Belfius Insurance within the framework of the strategy defined by the Board of Directors. It allocates means and sets deadlines for the implementation of actions decided upon in

line with that policy. It checks that the targeted objectives are achieved and that the internal control system meets all the requirements. Finally, it adjusts those requirements on the basis of internal and external developments.

The exercise of internal control involves the three lines of defence:

- business and support functions;
- risk management and compliance departments and the actuarial function; and
- internal audit.

As from 2022 this 3 lines of defence- model has been reinforced by the development of a Permanent Control framework. The latter focuses on testing the effectiveness and quality of internal controls, mainly by reviewing selected processes in an end-to-end approach (focusing in identification of risk, testing control and making recommendations when gaps in the control environment are detected). Permanent Control also verifies, on a risk-based basis, the due implementation of binding conditions as defined during an Approval Process.

### B.4.2. Process of assessing risks and controls

A self-assessment on identifying key processes, the risks and the related controls is conducted every year for the various activities of Belfius Insurance. This exercise results into a document ('Internal Control report'), used for the ORSA report, identifying the risks of Belfius Insurance. The Risk Department coordinates, under supervision of the Chief Risk Officer of Belfius Insurance, the exercise. Self-assessments, in which the addressed department is asked to evaluate the major risks applicable to its activities and map the internal controls in order to mitigate these risks, are sent to all departments. Next to this bottom-up approach, a top-down review by each member of the Management Board is done. The material subsidiaries of Belfius Insurance (Elantis and Jaimy) are included in the assessment.

Hence, the self-assessment evaluates i) the major inherent risks, ii) the controls in place to mitigate these risks, and iii) the resulting residual risks. The results are then challenged by Risk Management and other control functions. The results are furthermore completed with risk attention points and recommendations, which may give rise to action plans. The Internal Control Report is presented to the Management Board and the Risk & Underwriting Committee. Key findings of the self-assessments of the subsidiaries are included in the report of Belfius Insurance.



### B.4.3. Internal control system for subsidiaries

The internal control environment is implemented through internal management and organisation structures which integrate controls in all the processes of Belfius Insurance and its main subsidiaries.

The assessment of risks within the framework of internal control, facilitated by the risk management department, follows the same process as described above.

The results of the assessment of the subsidiaries are, as part of the report of Belfius Insurance, presented to the Management Board and the Risk & Underwriting Committee. This process is applied to Belfius Insurance and its main subsidiaries (Elantis and Jaimy).

### B.4.4. Compliance

The compliance function is organised in accordance with the compliance policy of the Belfius Group (compliance charter and integrity policy) with the objective of preventing and controlling compliance risks as a result of non-observance of the laws, regulations and internal rules.

Belfius Insurance has a centralised compliance function aimed at preventing money laundering operations and financing of terrorism, advising management and the business on the risks within the fields of activity of the compliance function, coordinating training initiatives and maintaining and raising awareness within the fields of compliance, checking the effectiveness and respect of procedures and strategic lines within those fields and reporting on the activities and risks of those fields. The compliance function also ensures that compliance risks are covered by adequate first line controls. The compliance function may also call on compliance correspondents in various important departments.

The company remains vigilant vis-à-vis risks with regard to money laundering and the financing of terrorism. In 2025, the action plan has been executed and the overall monitoring plan has been extended in order to produce a comprehensive view on risks and action plans. The subsidiaries have pursued their implementation of compliance procedures (training, policies, and monitoring program) especially regarding AML. 3 major projects concerned the preparations for the implementation of AMLR, as well as activating the action plans following the FSMA's mystery shopping campaign and the FSMA's Bankinsurance life inspection on duty of care. A risk assessment has been carried out by compliance and the different business lines. Additional product governance tools were implemented as a part

of the implementation of the so called "IDD"-guideline (training, quantitative monitoring criteria, product review calendar). A particular focus has been given to product governance requirements which gave rise to useful insights and concrete mitigating measures. This structured approach has also been evidenced in the numerous queries of the FSMA regarding product governance and Value for money. Lastly the "Branch Audit DVV"-team has assessed and fine-tuned the methodology for the risk scoring of DVV- agencies and launched a new tool to ensure a structured follow-up of the Branch audit recommendations by the 1st line.

In addition to the more traditional task of advising management, and the technical and commercial departments, the compliance function continues to develop the activity of monitoring and is a first point of contact for the regulators regarding the different compliance matters.

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## B.5. Internal Audit Function

### B.5.1. Task

As defined by the IIA Standards, internal auditing is "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes". Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The internal audit activity evaluates, based on a risk-based approach and throughout its different audit assignments, risk exposures relating to the organisation's governance, operations, and information systems regarding:

- the achievement of the organisation's strategic objectives;
- the reliability and integrity of financial and operational information;
- the effectiveness and efficiency of operations and programs;
- the safeguarding of assets;
- the compliance with laws, regulations, policies, procedures, and contracts.



The purpose, authority and responsibility of the internal audit activity have been formally defined in a common Belfius internal Audit Charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). This charter has been approved by the Audit Committee on September 19th, 2025 (a review is scheduled at least annually).

## B.5.2. Organisation and independence

The independence of the internal audit function is guaranteed by the fact that the Chief Audit Executive reports administratively to the CEO of Belfius Insurance and functionally to the chairperson of the Audit Committee Officer. A functional link is also defined with the Belfius Bank Chief Audit Executive. A declaration confirming the internal audit independence is made to the Audit Committee each year.

A dedicated internal audit methodology has been defined. It aims at explaining the overall organisation and the processes required to perform its tasks, which are summarised here-under.

To organise efficiently the internal audit activities, an exhaustive mapping – the audit universe – of all processes embedded within Belfius Insurance and its subsidiaries has been defined (updated November 2025). Each year, the different risks are identified and assessed. Based on the score obtained, the internal audit function defines the coverage frequency. The processes with a “Very High” score are covered once every two years, processes with a “High” score are covered once every three years and processes with a “Medium” score are covered every four years. The others processes with a “Low” or “Very Low” score are covered once every five years. Based on the risks identified and the back testing exercise (i.e. check to ensure all processes are correctly covered in due time), an audit plan and a resource plan for at least the five coming years are defined. The resource plan aims at evaluating the adequacy of the resources in terms of expertise and quantity required.

## B.6. Actuarial function

The task of the Actuarial Function is to provide independent assurance to the Board of Directors and the Management Board on actuarial matters related to Solvency II and BGAAP.

In line with the provisions of Article 59 of the Law of 13.03.2016 and section 5.3 of circular NBB\_2025\_08, the Actuarial Function is charged with the following activities<sup>(1)</sup>:

- tasks related to the technical provisions:
  - coordinating the technical provisions set out in the Solvency II balance sheet;
  - tasks related to the calculation of the technical provisions in the BGAAP balance sheet;
- tasks related to the appropriateness of the underwriting policy and pricing applied within Belfius Insurance (also taking into account the impact of sustainability risks);
- opinion regarding the appropriateness of the reinsurance program;
- opinion on the profit sharing including some certifications on this topic;
- contribution to the risk management system and more specifically the assessment of the continuous Solvency II compliance of the technical provisions in the ORSA-process;
- if necessary, an opinion in the context of some merges and acquisitions of the some insurance portfolios as described in the circular NBB\_2021\_06.

On top of that the Actuarial Function assesses the technical provisions in the IFRS17 balance sheet.

(1) Only those tasks that are relevant for Belfius Insurance are mentioned. More details on these tasks can be found in the Actuarial Function Charter and in chapter 5.3 of the NBB-circular NBB\_2016\_31 (which has been updated from time to time).



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## B.7. Outsourcing

Belfius Insurance has adopted a new Third Party Risk Management Policy (replacing the outsourcing policy) on February 20th, 2025. This policy is a high-level overview of Belfius' Third-Party Risk Management (hereafter TPRM) framework, offering guidance and structure for:

- managing third-party relationships and addressing the associated risks through an end-to-end, risk-based approach, from engagement to termination, by incorporating principles such as “Know Your Third Party”, “Manage Your Third Party”, “Risk Profiling via a Risk-Based Approach”, and a “Harmonized TPRM Lifecycle”;
- ensuring compliance with Belfius' Risk Appetite framework, especially for third-party relationships including personal data exchange, and with the regulatory framework, including those supporting critical and important functions, as mandated by Digital Operational Resilience Act (DORA).

At the end, the goal is to reduce our risk exposure (i.e. less third parties), to ensure the reliability of those third parties and ensure a strategic fit (i.e. work with third parties that support our strategic ambitions). Therefore a tiering system has been developed based on the criticality of those third parties.

The TPRM scope applies to third party relationships from all departments, branches, and subsidiaries of Belfius Insurance, which are divided into:

- Arrangements with third parties, including purchases and outsourcing, that are subject to Belfius' Procurement Policy;
- Arrangements with third parties that are not subject to Belfius' Procurement Policy, such as
  - partnerships and intra-group arrangements;
  - Key subcontractors of the most critical outsourcing arrangements and suppliers.

The TPRM committee ensures the monthly supervision of the activities defined in the TPRM strategy and policy. Periodic reports (at least twice a year) are foreseen to the Management Board and Risk & Underwriting Committee. The policy is reviewed at last once every three years. Intermediate reviews are possible if needed.

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## B.8. Any other information

There is no other relevant governance information than what is already mentioned above.

# C. Risk profile

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Belfius Insurance operates within a robust regulatory framework, ensuring financial stability and customer protection. The risks at Belfius Insurance are delineated within a Risk Taxonomy, which encompasses the major risk categories as explained in the text “C. Risk Profile” below. Effective risk management practices are in place for maintaining solvency and regulatory requirements.

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## C.1. Underwriting risk

### C.1.1. Definition

Belfius Insurance, as a part of the financial conglomerate Belfius Bank, takes up risk through the insurance contracts that it underwrites. The risks within the underwriting risk category are associated with both the exposure covered by the specific line of insurance (Life or Non-Life) and the specific processes associated with insurance business (claims processing, premium collection, pricing, selection, etc.).

The risks that apply to all lines of the insurance business can be globally categorised as follows:

**Life underwriting risk:** relates to the risk arising from the life insurance obligations, in relation to the perils covered and the processes used in the conduct of business. It is split up into seven sub-segments:

- mortality risk is the risk that mortality increases. It applies to all undertakings for which the pay-outs expected to be made increase when there is a rise in mortality.

- longevity risk is the opposite of the mortality risk. It applies to policies for which a fall in mortality would result in an increase in the expected pay-outs (e.g. pension policies). Improvements in medical treatments that prolong life without restoring the ability to work could cause these risks to materialise at a greater frequency than currently observed.
- morbidity or disability risk relates to the risk of loss or disadvantageous movement in expected benefits caused by changes in the level, nature, trend or volatility of the degree of disability.
- lapse risk for Life is described as the risk of loss or increase in pay-out caused by a difference between the effective exercise rate of the contractual options by the policyholder and the expected exercise rate. The term “options” should be viewed in the broad sense of the word: this sub-module contains options in relation to redemption, cancellation or premium reduction, as well as the expansion of the guarantees. For some policies, exercise may be at the benefit of the insurance company, while for others it may result in a loss. As a result, this sub-module features two scenarios: one in which the options are exercised more frequently than expected and another where they are exercised less frequently.
- expense risk corresponds with the risk that the expenses are higher than expected or that they subdue to higher inflation than expected.
- revision risk only applies to annuities whose amounts may be valued negatively for the insurer due to changes in the statutory environment or in the policyholder’s health situation.
- catastrophic risk is limited to insurance policies wherein a sudden and significant surge in mortality rates would lead to an increase in benefit payouts.

**Non-Life underwriting risk:** relates to the insurance risk arising from Non-Life insurance contracts. This uncertainty about the results of the insurer’s underwriting could be split in four sub-segments:

- Premium risk is the risk where the amount of premiums received is not sufficient to pay claims that occur during the coverage period to which the premiums relate;
- Reserve risk is the risk of loss or unfavourable change in the value of the insurance undertakings arising from changes in the frequency and severity of the insured events, as well as in the date and amount of the claims to be paid;
- Catastrophe risk is the risk arising from unpredictable events including, but not limited to, windstorms, floods, severe winter weather, and other weather-related events, pan-



demics, large-scale fires, industrial explosions, earthquakes and other man-made disasters such as civil unrest and terrorist attacks, that is not covered by the premiums or reserves; and

- Concentration risk is the risk arising from risk exposures with a loss potential which is large enough to threaten the solvency or the financial position of Belfius Insurance. Belfius analyses and monitors its concentration risk in a 200 up to 500 meters radius in property, and for locations with a large staff concentration in workers' compensation. Reinsurance contracts are in place to mitigate this concentration risk. Given the activities of Belfius Insurance, the concentration risk is limited. Note that in property insurance there are a limited number of risk exposures exceeding the EUR 100 million threshold, Belfius has reinsured these risk exposures to mitigate the risk.

**Product design risk:** is the risk of loss resulting from features, options or guarantees that were unanticipated in the design and pricing of the insurance product.

## C.1.2. Managing the insurance risk

The **Risk & Underwriting Committee** provides strategic recommendations pertaining to underwriting and reserving practices for Belfius Insurance, with a particular focus on the following aspects:

- The types and characteristics of the insurance business that Belfius Insurance is willing to manage;
- The selection criteria for the risks that match the risk appetite;
- The way in which the actual underwriting is monitored;
- The managing between, on the one hand, the insurance premiums collected and, on the other, the claims to be paid out when costs are borne;
- The identification of the risks arising from the undertakings of Belfius Insurance, including the implicit options and the capital that is guaranteed by the insurance products;
- The provisions for claims.

**Reinsurance** is one of the methods used to limit the insurance risk. The main objective of reinsurance is to reduce the volatility in capital requirements and profits, and to mitigate the uncertainty associated with the risk in the insurer's valuation.

The drivers of reinsurance are:

- capacity: reinsurance gives insurers greater flexibility in terms of scope, type of risk and business volume that they can safely accept. This enables insurers to unlock new business or to expand their activities for a short period.

- stability: structured reinsurance programs enable insurers to stabilise their operating income.
- protection: reinsurance provides protection against cumulative financial losses caused by a succession of events (such as poor weather) or against significant financial losses arising from a single event.
- funding: reinsurance can be an alternative to a capital increase.
- expertise: reinsurers assist insurers in their area of expertise. The qualified staff of reinsurance companies offer their services, for instance in establishing a new business.

## C.1.3. Sensitivities

Belfius Insurance evaluates the effect of sensitivities on available financial resources. The technical reserves are expressed in fair value.

The review of cost assumption has a negative impact on the available financial resources and their sensitivity.

An increase of the mortality rates also has a negative impact on available financial resources.

As for life activities, in non-life business, higher costs assumptions lead to a lower result. An increase of claims leads also to a lower result.

### Underwriting risk Life: scenario that corresponds to<sup>(1)</sup>

(In millions of EUR)	Impact on available financial resources before taxes	
	31/12/2024	31/12/2025
An increase of 15% in mortality	-45.4	-49.8
An increase of 10% in costs + 1% inflation	-206.6	-223.8
A shock of 10% in the lapse rate	-1.7	-1.4

### Underwriting risk Non-Life: scenario that corresponds to

(In millions of EUR)	Impact on result before taxes	
	31/12/2024	31/12/2025
An increase of 10% in administrative costs	-12.5	-12.4
An increase of 5% in claims	-21.2	-20.3



## C.1.4. Development of claims

The claims triangle is the usual method for expressing the settlement of non-life claims stretched out over a number of years. Inter alia it enables actuaries to assess the appropriateness of the non-life technical provisions. Between the event and the date of closing a claim, the insurer assesses the amount as total cost of the claim. During this period, the insurer establishes a reserve that equals to the estimated amount of future payments for the claim.

Given the reserve is an estimate, there is a risk that the amount effectively paid is different (higher or lower). To assess that risk, it is necessary to study the variation of two amounts:

- the total of payments made prior to that date;
- the reserve established on that date for future payments.

The sum of these two components is called the total incurred claims cost.

The table on the right shows the evolution for Belfius Insurance since 2015 of the sum at the end of each year, of the total incurred claims cost per year of occurrence.

### Claims development (excluding reinsurance and internal costs)

Year of settlement	Year of occurrence										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Estimation at the end of the year of occurrence	395,346	424,287	410,287	440,575	447,420	408,187	588,056	501,863	473,691	495,578	477,674
1 year later	366,930	398,024	389,756	432,842	432,160	391,234	528,395	493,320	460,129	472,134	
2 years later	357,489	382,952	371,206	434,583	422,253	385,641	511,339	480,842	449,992		
3 years later	355,608	376,736	373,162	428,987	418,501	370,667	490,851	473,461			
4 years later	349,512	373,231	384,534	425,732	411,246	375,443	490,939				
5 years later	350,913	375,666	378,596	416,915	410,471	364,326					
6 years later	352,973	369,729	376,996	419,035	412,651						
7 years later	345,136	368,458	379,515	415,198							
8 years later	343,810	366,452	383,634								
9 years later	343,261	363,840									
10 years later	340,168										

(In thousands of EUR)											
Actual estimation	340,168	363,840	383,634	415,198	412,651	364,326	490,939	473,461	449,992	472,134	477,674
Cumulative payments	-303,281	-323,880	-317,695	-349,743	-358,164	-311,090	-405,109	-375,664	-338,939	-343,152	-223,531
Actual provisions	36,886	39,960	65,938	65,454	54,487	53,236	85,829	97,796	111,052	128,982	254,143

(In thousands of EUR)											
Provisions (after 2015)											993,766
Provisions (before 2015)											244,525
Internal costs											65,119
Accepted deals											13,178

<b>TOTAL</b>											<b>1,316,588</b>
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## C.2. Market risk

The market risk is the risk that a loss can result from fluctuations in the prices of financial instruments held in a portfolio. The various risk factors include interest rate, exchange rate, share prices or real estate prices. Fluctuations in these elements are at the main source of the market risk.

The Risk Management department is responsible in particular for defining the Investment Risk Framework in accordance with the risk appetite and risk limits. After proposal by the Investment department, it verifies the consistency of the Strategic Asset Allocation (SAA), which consists of determining the most suitable allocation of the various assets classes to the insurance liabilities, in line with the Risk Appetite Framework and limits. The technical reserves are subdivided into portfolios that are homogeneous in terms of the nature of products and embedded options.

The risk appetite and strategy relating to the market risk are determined at the level of Belfius Insurance and is aligned with the Belfius Bank risk appetite. The local correspondents are responsible for the implementation thereof in their own entity. A representative of the Risk Management and Investments departments in the local Alco's assures to the requisite consistency for the management of the market risk at the local level.

### C.2.1. Foreign Exchange Risk

The foreign exchange rate risk is not significant at Belfius Insurance, as less than 1% of the portfolio's total market value is denominated in foreign currencies. The possibilities of holding exposures in foreign currencies is moreover deliberately limited by the Investment Framework.

#### Market Value

(in millions of EUR)	31/12/2024	31/12/2025
EUR	15,108	15,352
DKK	29	27
CHF	21	21
GBP	6	4
USD	5	-
<b>TOTAL</b>	<b>15,169</b>	<b>15,403</b>

The current exchange rate risk mainly comes from exposures in Danish krone (Danish mortgage bonds), whose value is strongly linked to the Euro. The exposure to the Danish krone has been stable in 2025.

### C.2.2. Interest Rate Risk

For Belfius Insurance, the ALM objective is to limit the volatility of the P&L and the economic value of the company induced by potential changes in the interest rates.

The long-term sensitivity of the Net Asset Value of Belfius Insurance to interest rates is EUR 8.8 million per 10 bps as of 31 December 2025 compared to EUR 0.5 million as of Q4 2024 given the AFR (= EUR 2.278 million). This increase of the interest rate sensitivity is aligned with the widening of the duration gap through the year. In addition to the global sensitivity to changes in interest rates, the monitoring of the BPV per time bucket is a key element of the ALM. Over the year, cash-flow matching operations took place to monitor the BPV per time bucket.

Sensitivity tests on our Solvency II ratio are also quarterly performed on top of specific stress tests to monitor Belfius Insurance exposure to the interest rate risk. Results show that the risk is limited and comply with the risk appetite of the company.

### C.2.3. Equity Risk

Equity risk is a key contributor to the net asset value's sensitivity and the capital requirement of Belfius Insurance. The equity portfolio is managed by a dedicated Investment team under the supervision of the ALCo. The investments are again framed by risk guidance and operational limits according to the risk appetite of Belfius Insurance.

Market risk management tools include stress test measurements that provide an indication of the potential market value loss under different scenarios and the solvency ratio's resilience.

The table on the right shows the price sensitivity of Belfius' equities portfolio to a downward shock of 30%.

(in thousands of EUR)	31/12/2024	31/12/2025
<b>BELFIUS INSURANCE</b>		
Market value – quoted shares & assimilated	307,100	294,376
Market value – quoted real estate	161,089	183,315
Shock 30% (negative)	-140,457	-143,307
<b>VAR (99%, 10 DAYS)</b>	<b>25,044</b>	<b>54,280</b>



## C.2.4. Real Estate Risk

Property investments transactions are meant to provide long-term and stable returns mostly on the Belgian market. As such, these property investments must be viewed as a

(in thousands of EUR)	31/12/2024	31/12/2025
<b>BELFIUS INSURANCE</b>		
Market value – not quoted real estate	723,950	723,640
Shock 15% (negative)	-108,592	-108,546

way of optimising the risk/return of the investment portfolio and are allocated to the long-term life insurance business. The table on the left shows the price sensitivity of Belfius Insurance real estate to a downward shock of 15%.

## C.2.5. Sensitivities

The interest rate risk entails 2 distinct forms: the risk that the insurer's economic value fluctuates, and the risk that the insurer's earnings fluctuates. Both risks have to be measured in order to gauge the full scope of the interest rate risk on the balance sheet.

The economic value indicators measure the long-term effect of changes in the interest rate. The interest rate sensitivity of the economic value measures the change of the ALM economic value if the entire interest rate curve changes by 10 basis points. In 2025,

- the interest rate risk remained low compared to the AFR, thanks to a limited duration gap;
- the equity and property risks remained stable.

Changes in equity prices and the impact of credit spreads are immediately translated into Belfius Insurance's regulatory own funds. Only in case of a sale, the change will lead to lower realised results. Significant downward shocks on equities may, however, result in write-downs (application of the "significant decrease" principle according to the valuation rules).

(in thousands of EUR)	31/12/2024	31/12/2025
<b>INTEREST RATE RISK</b>		
Sensitivity (Interest rate increase of +10 bp)	500	-8,842
Earnings at risk (+50 bp) (Interest rate increase of +50 bp)	2,641	3,167
<b>EQUITY RISK</b>		
Shock 30% (negative)	-306,828	-343,780
VaR (99%, 10 days)	25,044	54,280
<b>REAL-ESTATE RISK</b>		
Shock 15% (negative)	-108,592	-108,546
<b>CREDIT SPREAD RISK</b>		
Spread shock up with +50 bp	-185,142	-148,288

## C.3. Credit risk

Credit risk results from the uncertainty as to the ability of a debtor to fulfil his obligations. It has three components:

- the default risk: any failure or delay in payment of the principal and/or interests which is reflected by a loss for the financial institution;
- the risk of deterioration of credit quality, which is reflected by a drop in the financial valuation of the debt in question; and
- uncertainty as to the amount to be recovered in the event of default.

Belfius Insurance is exposed to the credit risk at several levels:

- credit granted to companies and to individuals;
- bonds in the investment portfolio;
- transactions with derivative products; and
- share of reinsurers in the technical provisions.

Belfius Insurance's credit risk is controlled in cooperation with the Credit Risk Management (CRM) teams of Belfius Bank. An operational risk management and limit system has been defined within the context of the Belfius Insurance Investment Framework.

The Belfius Insurance risk management department gives a guiding framework to the investment department. These specific guidelines are followed in the asset management activities and take the company's risk appetite into account.

### C.3.1. Global overview of the Credit Risk

The tables on the next page show the breakdown of the portfolio (market value) excluding Branch 23 per type of investment and per country as at 31 December 2024 and 31 December 2025. The evolution in bond market values reflects the combination of the movement in interest rates, credit spreads, purchases and sales and maturing exposures.

The overall market value of the assets portfolio slightly increased in 2025 as a result of the growth in the business combined with the good performance of the equity markets. A large part of the portfolio (54%) is invested in Belgium.



Country	2024									
	Cash	Real Estate	Shares	Gov. Bonds	Covered Bonds	Financial Bonds	Corp. Bonds and Loans	Mortgages	Derivatives	Total
BE	159	780	573	2,916	0	248	535	3,507	19	<b>8,737</b>
FR	0	34	138	1,096	3	193	802	0	0	<b>2,267</b>
IT	0	0	20	263	0	14	48	0	0	<b>347</b>
ES	0	0	0	545	15	20	52	0	0	<b>633</b>
UK	0	0	24	0	0	58	114	0	0	<b>195</b>
DE	0	0	37	34	0	12	143	0	0	<b>226</b>
NL	0	0	27	15	0	74	188	0	0	<b>304</b>
LU	0	0	172	125	0	79	96	0	0	<b>472</b>
US	0	0	5	0	0	206	211	0	0	<b>422</b>
PL	0	0	0	92	0	0	0	0	0	<b>92</b>
IE	0	0	6	229	0	0	22	0	0	<b>257</b>
DK	0	0	0	0	0	0	43	0	0	<b>43</b>
Other	0	0	21	1,034	0	44	74	0	0	<b>1,174</b>
<b>TOTAL</b>	<b>159</b>	<b>815</b>	<b>1,024</b>	<b>6,350</b>	<b>18</b>	<b>949</b>	<b>2,329</b>	<b>3,507</b>	<b>19</b>	<b>15,169</b>

Country	2025									
	Cash	Real Estate	Shares	Gov. Bonds	Covered Bonds	Financial Bonds	Corp. Bonds and Loans	Mortgages	Derivatives	Total
BE	125	782	628	2,658	0	228	534	3,332	0	<b>8,288</b>
FR	0	34	144	1,012	0	199	1,026	0	1	<b>2,416</b>
IT	0	0	13	260	0	14	56	0	0	<b>343</b>
ES	0	0	7	564	15	33	53	0	0	<b>672</b>
UK	0	0	23	0	0	80	114	0	0	<b>217</b>
DE	0	0	24	31	0	5	125	0	0	<b>185</b>
NL	0	0	18	14	0	92	265	0	0	<b>389</b>
LU	0	0	254	98	0	82	124	0	0	<b>559</b>
US	0	0	0	0	0	265	290	0	0	<b>555</b>
PL	0	0	0	16	0	0	0	0	0	<b>16</b>
IE	0	0	13	207	0	0	38	0	0	<b>258</b>
DK	0	0	0	0	0	3	32	0	0	<b>34</b>
Other	0	0	21	1,304	0	81	65	0	0	<b>1,471</b>
<b>TOTAL</b>	<b>125</b>	<b>816</b>	<b>1,145</b>	<b>6,165</b>	<b>15</b>	<b>1,082</b>	<b>2,722</b>	<b>3,332</b>	<b>1</b>	<b>15,403</b>

The government bond portfolio decreased by EUR 185 million to EUR 6,165 million mainly due to the upward shift of the interest rates during 2025.

The corporate bonds and loans portfolio increased by EUR 393 million to EUR 2,722 million partly explained by the new investments realized to cover the universal product in Branch 21, combined with a decrease in spreads.

The mortgage loans decreased by EUR 175 million to EUR 3,332 million due to the allocation of a large part of the new production to Belfius Bank.

The following tables show the ten largest exposures of Belfius Insurance per counterparty on 31 December 2024 and 31 December 2025:

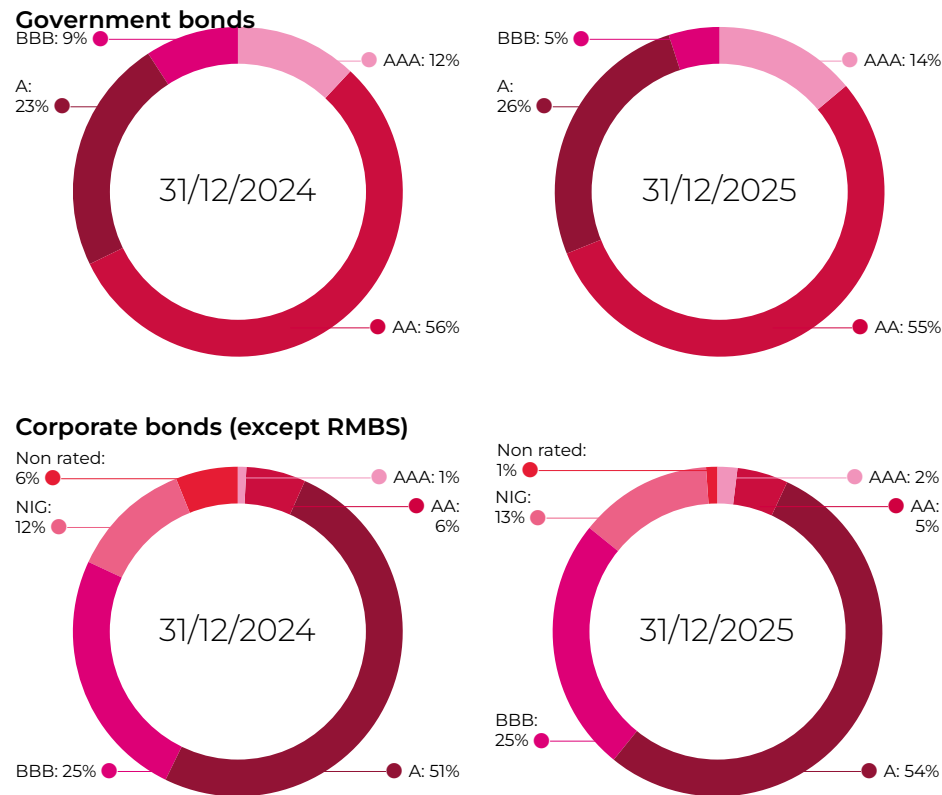
Issuer (in millions EUR)	Category	Market Value at 31/12/2024
Belgian government	Government bonds	1,851
French government	Government bonds	1,057
Spanish government	Government bonds	545
Walloon Region Belgium	Covered bonds	499
EUROPEAN UNION	Government bonds	359
Communauté française de Belgique	Bonds issued by Region / Community	302
Portuguese government	Government bonds	297
Italian government	Government bonds	263
Irish government	Government bonds	229
Austrian government	Government bonds	185
<b>TOTAL</b>		<b>5,588</b>

Issuer (in millions EUR)	Category	Market Value at 31/12/2025
Belgian government	Government bonds	1,786
French government	Government bonds	978
Spanish government	Government bonds	564
Walloon Region Belgium	Bonds issued by Region / Community	464
European Union	Government bonds	422
Portuguese government	Government bonds	402
Austrian government	Government bonds	297
Italian government	Government bonds	260
Irish government	Government bonds	207
Flemish community	Bonds issued by Region / Community	180
<b>TOTAL</b>		<b>5,560</b>



### C.3.2. Additional information on the quality of the portfolio

Belfius Insurance wants to obtain a good credit quality for its bond portfolio overall. The outstanding credit risk is closely monitored in cooperation with the Credit Risk Management teams of Belfius Bank. The graphs below show the breakdown of the assets per rating as at 31 December 2024 and 31 December 2025. The weighted average rating of the portfolio (including mortgage loans) has slightly improved in 2025 to A (compared to 2024 at A-).



### C.3.3. Forbearance report on the mortgage loan portfolio

The Forbearance report is drawn up for the portfolio of mortgage loans granted by Belfius Insurance through its network of agents and by Elantis, its subsidiary that is specialised in such loans. It contains the list of contracts for which the customer has faced reimbursement problems and for which the lender has added additional conditions to the initial terms and conditions of the contract.

Forbearance	Gross carrying values of performing and non-performing exposures	Accumulated impairment	Collaterals and financial guarantees received	
			Collateral received on exposures with forbearance measures	Financial guarantees received on exposures with forbearance measures
(in thousand EUR)				
Debt instruments at amortised cost	0	0	0	0
Loan commitments - given	32,771	811	31,960	0

The outstanding mortgage loans that meet the Forbearance conditions amounted to approximately EUR 33 million or 1% of the outstanding volume of mortgage loans under management as of year-end 2025. The amount of these credits is fully guaranteed with a mortgage registration. An impairment of nearly EUR 1 million, being around 2,5% of the outstanding Forbearance amount, was booked on the basis of internal rules. This low percentage can be explained by the large number of credits with a loan to value (i.e. the amount of credit secured by immovable property in relation to the value of the property) of less than 75%, as well as by the regular requirement of an external guarantee for the credits with a ratio of more than 75%.



## C.4. Liquidity risk

In terms of liquidity management, Belfius Insurance engages mainly in life insurance liabilities at relatively long term that are largely stable and predictable. Consequently, the funding requirement is quite limited. The premiums paid by policyholders are placed in long-term investments in order to guarantee the insured capital and committed interests at the contract's maturity date. Our liquidity indicators demonstrate that Belfius Insurance constantly holds enough liquid assets to cover its commitments on the liability side of the balance sheet.

In order to ensure that all short-term liquidity requirements can be met, Belfius Insurance has embedded liquidity management in its day-to-day activities through:

- investment guidelines that limit investments in illiquid assets;
- Asset Liability Management, ensuring that investment decisions take into account the specific features of the liabilities;
- policies and procedures put in place to assess the liquidity of new investments;
- follow up of the short-term treasury needs.

	2024	
(in millions EUR)	Assets	Liabilities
< 1 year	1,057	1,196
1 < 5 year	2,479	2,550
5 year and +	9,875	8,033
Undetermined	10,829	4,546
<b>TOTAL</b>	<b>24,239</b>	<b>16,325</b>

In addition, Belfius Insurance also holds a significant amount of unencumbered assets (mainly in governments bonds) eligible for repos in the context of its liquidity management.

The Investment department is responsible for Belfius Insurance's liquidity and cashflow management. Therefore, it uses long-term projections of the cash-flows of assets and liabilities. These cash flows are simulated under both normal and stressed situations.

The assets are valued in market value. The "Undetermined" category includes the Branch 23 products and shares.

The liability side includes repo transactions and Branch 23 products under the "Undetermined" category.

	2025	
(in millions EUR)	Assets	Liabilities
< 1 year	962	545
1 < 5 year	2,337	1,936
5 year and +	10,066	8,498
Undetermined	7,413	5,322
<b>TOTAL</b>	<b>20,778</b>	<b>16,301</b>

## C.5. Operational risk

### C.5.1. Non-Financial Risk Management

The management of Non-Financial Risks (NFR) has to be understood as a broad umbrella covering all risks except "financial risks" (such as market, ALM, liquidity, credit and insurance risks). NFR covers among others operational risks (including fraud, resources, information security, business continuity, outsourcing & third party risk, data-related risks, ...) as well as reputational, compliance, legal risks, etc.. Consequently, non-financial risks do not constitute a predefined list of risks, resulting in the need for a regular review of the scope of these risks in light of emerging risks, new regulations and technological and societal evolutions.

The Non-Financial Risk Management framework is based on a strong governance with clearly described tasks, roles and responsibilities within the 3 Lines of Defence (3LoD) model. The Management Board, as well as mandated specialised committees (e.g. Information Security Steering, Privacy-steering, Third Party Risk Management Committee, Anti-Fraud Steering Committee, ...) analyse the development of the risk profile of the various activities of Belfius Insurance regularly and takes the necessary decisions, applying risk appetite as defined by the Board of Directors.

The Chief Risk Officer (CRO) watches, by creating risk policies that are subject to Management Board approval, over a solid risk management framework. The CRO is responsible for the transversal supervision of the operational incidents and the analyses carried out. Action plans, established due to material incidents, are subject of close follow-up to guarantee proper implementation.

Taking into account a fast evolving threat landscape, the risk management framework further evolves and new initiatives are deployed. A Permanent control framework provides additional assurance through the testing of controls and the evaluation of the effectiveness of the internal control system. A Project Risk Management facilitates a top-down view on strategic programs, as well as a risk evaluation of these programs. Also, NFR is coordinating the building of the Information Security Management System (ISMS) to identify risks, put in place applicable security measures and ensure that these measures are continuously monitored, measured and improved. Furthermore a Third Party Risk Management framework creates an exhaustive approach on third party interactions, a clear governance



with ownership of the third party-relationship and monitoring of the performance. The latter is subject to an accelerated deployment, as part of the implementation of DORA-requirements and a globally deteriorating threat landscape impacting the entire supply chain, including third-parties.

The managers of the various business units are responsible for the management of the non-financial risks (risk ownership by 1st LoD). Furthermore, a network of correspondents of risk management (CORM) within all business units is responsible for the coordination of all risk subjects within their business unit (such as incident management with an exhaustiveness focus, business impact analyses & business continuity and internal control self-assessment). Also, Data Privacy Correspondents are appointed for the coordination of all matters related to Data Privacy within their departments.

The framework for Non-Financial Risks consists of appropriate policies, covering the main risk domains and describing clear responsibilities for all 3 Lines of Defence, such as:

- Non-Financial Risk Management policy
- Incident Management policy
- Business Continuity policy
- Privacy Risk policy
- Fraud policy
- Information Security policy
- Information Security Strategy
- Third-Party Risk Management policy
- Approval Process policy
- Software as a Service policy
- End User Computing Application policy
- Project Risk management policy
- Permanent Control policy

## C.5.2. Risk Appetite

The NFR Risk Appetite Framework is built as a comprehensive framework to cover all risk areas including more recent or evolving types of risks. It aims to provide a structured approach to framing the risk profile, the internal control system and the tolerance for losses about the current situation as well as the future strategic evolutions. Key Risk Indicators (KRI) have been defined in order to establish limits.

The RAF is articulated around three concepts:

- Risks: what are the risks and how to assess the risk level (past and forward looking)?
- Risk management capacity: what is the capacity to manage the risks?
- Loss tolerance: what are the potential P&L impacts acceptance tolerance?

## C.5.3. Transversal risk processes

### C.5.3.1. Incident management

Having an overview of the operational incidents is crucial for gaining a better understanding of the operational risks associated with each activity and constitutes a relevant source of information for management (e.g. the estimated annual loss). The major operational incidents are investigated thoroughly and a specific action plan and appropriate follow-up are organised.

The main areas of operational losses resulted from incidents associated with the continuity of IT platforms or tooling and incidents in relation to the execution, delivery and process management (including third-parties).

### C.5.3.2. Self-assessment of risks and internal controls

A self-assessment of the risks and the related controls is conducted every year for the various activities of Belfius Insurance. This exercise, combining a bottom-up and a top-down approach, results into an identification of the major risks of Belfius Insurance and serves as a basis for the Own Risk & Solvency Assessment (ORSA) exercise. The self-assessment evaluates i) the major inherent risks, ii) the controls in place to mitigate these risks, and iii) the resulting residual risks. The results are challenged by Risk Management as well as by Internal Audit and furthermore completed with risk attention points and recommendations.

### C.5.3.3. Approval Process

The Approval Process is an ex ante analysis by numerous departments (i.e. Digital Security Office, DPO, Legal, Tax...), involving a number of steps that must be completed previous to the implementation of a new project/product. The workflow of an Approval Process results in a request for approval of 2 members of the Management Board. The 1st Line of Defence commits to implementing the conditions, prior to the launch of the product/project, that are considered as 'binding' by the departments advising in this process. Permanent Control verifies, on an ad hoc-basis, the proper and full implementation of these binding conditions.



#### C.5.3.4. Business continuity

Belfius Insurance is committed to its customers, counterparties and regulators to put in place, maintain and test viable alternative arrangements that, following an incident, allow the continuation or the resumption of critical business activities at the agreed operational level and entirely compliant with the Belgian regulation.

The supporting process, Business Continuity Management (BCM), is in a uniform way applied at Belfius Bank and its subsidiaries, ensuring the continuity within Belfius Insurance under different scenarios (such as unavailability of building, systems, infrastructures or people) and is regularly updated. Taking into account the new reality of massive home-working, a reverse business continuity plan was set-up and is tested on a regular basis. This plan establishes a framework in which co-workers (critical activities) can go back to work on-site in case of an (IT-)incident impacting home-working at a large scale.

Considering a stronger focus on operational resilience preparations, playbooks for crisis situations have been established (for ex. In case of major IT-issues or ransomware attack).

### C.5.4. Focus on key NFR domains

#### C.5.4.1. Information Security

The purpose of information security is to protect Belfius Insurance's' information that has a value for the organisation, regardless of its origin (such as created by business, customer data, ...).

In order to guarantee the information security within Belfius Insurance, the (Belfius Group) Information Security Steering (ISS) ensures a well governed and coordinated information security strategy whereby an adequate system of "prevention", "detection", "protection" and "reaction" is put in place, in line with regulatory requirements towards information security (such as the Digital Operational Resilience Act (DORA)) and taking into account technical evolutions.

The Chief Information Security Officer (CISO) for Belfius exercises a 2nd line of defence function for Bank & Insurance.

The purpose of Belfius' Information Security Office is to ensure the protection of Belfius' information assets against threats:

- From outside the institution (cyber-attack) as well as from inside (malicious insider, data leakage ...);

- By safeguarding the confidentiality, integrity and availability of our critical information assets;
- Through preventive, detective, repressive as well as corrective measures and through adequate policies and procedures.

The CISO performs, amongst others, analysis on the IT incidents, taking into account the root cause, their impact and time to resolve. Action plans are challenged and implementation is strictly monitored. Furthermore, the CISO watches over the information security key risk indicators as defined in the Risk Appetite Framework and reports his findings on a quarterly basis in the Quarterly Risk Report. Also, awareness on key behaviours, such as completion of mandatory e-learning or recidivism phishing test clicks, are put in place to evolve towards a stronger risk culture.

#### C.5.4.2. Data privacy

The respect for privacy and the protection of personal data is a key commitment at Belfius Insurance. The approach, being in line with the approach of Belfius Bank, ensures GDPR conformity through integration into every process to offer (existing, adapted and new) products, innovative digital tools, services and information sharing to its customers. The regulatory framework concerning personal data is constantly evolving and Belfius closely monitors these developments. Core processes and governance have been adapted, given the regulatory evolutions deriving from the Schrems II Court of Justice decision.

A network of privacy correspondents, active in every department, supports and advises the staff members in the first line regarding GDPR, where the DPO provides this from a second line. At regular (quarterly) or ad hoc moments the privacy correspondents are additionally informed about GDPR evolutions or points of attention.

GDPR-awareness is passed on to all staff members via mandatory GDPR e-learnings and via an extensive GDPR file on the intranet, via regular messages on the intranet or in the context of projects or processes. Mentioned e-learning is subject to a three-yearly cycle of repetition.

GDPR compliance is monitored in various committees and by management and is also included in various internal and external reports. A Privacy Steering, which meets on a regular basis, is in place, ensuring a well governed and coordinated approach. The Belfius Management and several committees are on a recurrent basis informed about GDPR conformity in Belfius, e.g. the DPO watches over the data protection key risk indicators as defined in the Risk Appetite Framework and reports his findings on a quarterly basis in the Quarterly Risk Report and on a half-year basis to the Risk Underwriting Committee/Audit Committee.



### C.5.4.3. Fraud risk

The Anti-Fraud Policy ensures a clear definition of roles and responsibilities and a strengthening of the governance, e.g. through the creation of the (Group) Fraud Steering Committee, acting as a sub-committee of the Executive Management Risk Committee (Emric).

The necessary arrangements concerning fraud prevention in bank branches are governed by Belfius Bank. Sufficient attention is paid to fraud prevention in the training of managers and agents. The staff involved have undergone training in the “code of ethics” and have been given guidelines and procedures for fraud treatment and prevention.

Belfius Insurance also has a separate department with specialised inspectors for fraud prevention in the insurance field. This centralisation allows strict monitoring of the Key Risk Indicators related to losses from fraud. Furthermore, different projects have been put in place, using the latest technological evolutions such as AI, to strengthen fraud detection capacity.

### C.5.4.4. Third-party risk

Belfius Insurance calls on various external parties. These outsourcing arrangements are monitored continuously and action plans are defined and implemented to tackle any points requiring further attention.

The Third Party Risk Management Policy ensures a clear definition of roles and responsibilities and a strengthening of the governance, e.g. through the creation of the Third Party Risk Management Committee, acting as a sub-committee of the Executive Management Risk Committee (Emric).

Furthermore, the Third Party Risk Management ensures compliance with the regulatory requirements on cloud outsourcing.

A Third Party Risk Management framework broadens the scope of the existing outsourcing risk-framework by creating an exhaustive approach on third party-interactions, a clear governance with ownership of the third party-relationship and monitoring of the performance. The deployment of this framework has been accelerated, to ensure alignment with a stricter risk appetite where the transfer of sensitive personal data to third-parties is subject of strict onboarding and life cycle monitoring.

### C.5.4.5. Employment practices (HR) & workplace safety

A governance is in place, defining clear roles and responsibilities with regard to physical security (for ex. fire safety, security of access to the building, etc). The Physical Security Committee, acting as a sub-committee of the Executive Management Risk Committee (Emric), provides the necessary oversight.

## C.6. Other material risks

### C.6.1. Business Risk

Described as the risk of lower profitability for the various business lines of Belfius Insurance, the business risk is a central element in the day-to-day management of the company and its strategic orientations.

The Strategic Planning and Performance Management department is responsible for consolidating all data needed for the follow-up of the profitability and the overall performance of the company through various indicators.

The management of the future profitability is handled by various committees and lies ultimately with the Management Board and the Board of Directors. The latter bodies determine the strategic decisions to be taken in order to achieve the expected profitability and to safeguard the competitiveness of Belfius Insurance in the long term.

### C.6.2. Strategic Risk

The strategic risk is the potential cost of the loss of existing customers, or the cost of the possibility that potential customers will be lost because of external changes and inappropriate decisions, insufficient implementation of decisions and a failure to respond to changes in the business environments.

The measures for limiting the strategic risks are based on the following principles:

- ascertain that the strategic risk of Belfius insurance is attuned to its commercial environment;
- react effectively to the changed economic environment or to development possibilities; and
- ascertain that the decisions taken by the management of Belfius Insurance and its entities are properly implemented in the business lines/entities.

The strategic risk is managed by a sound governance system implemented at Belfius Insurance and its entities.



### C.6.3. Reputation Risk

The reputation risk is the potential loss of value for Belfius Insurance due to a negative perception of the company by customers, counterparties, shareholders, investors, supervisors and other stakeholders.

Belfius Insurance attaches great importance to the satisfaction of its leading stakeholders and organises satisfaction surveys for customers and its staff on a regular basis. These are useful instruments for identifying any decline in trust among important stakeholders.

The reputation risk is managed by corporate governance, thanks to sound compliance rules at Belfius Insurance. Various departments are involved in this process: Compliance, Risk management, Legal and Tax department, and Communication.

The key internal control players have established a framework to manage risks and to manage a policy geared to preventing, detecting, and monitoring the potential impact to the reputation risk in the fields for which they are responsible. A corrective measure is taken for every shortcoming that is detected.

### C.6.4. Model Risk

At Belfius Insurance, the model risk is described as an assessment error risk that arises out of a methodology that is not effective, uncertainty concerning the data and/or the inappropriate use of models.

As is the case with every other risk, the model risk is managed. The success factors are:

- a good development of the model by various experts (in statistics, finance and insurance), in cooperation with the various business lines, who have extensive experience in the activity on which the modelling is applied;
- clear documentation of the models to expose weak points in a simple manner;
- thorough back-testing;
- a comparative study, insofar as possible;
- quality control of the data used; and
- an in-depth internal validation when the model is implemented and then during the entire lifecycle.

### C.6.5. Legal & Compliance risk

The relevant legislation is systematically monitored by the Legal department. The follow-up of the implementation of new legal developments is carried out through very close consultation between the Legal department and the service(s) concerned. Furthermore, the Legal department provides advice on various legal matters and regularly reports to the Management Board on the developments concerning the legal risk at Belfius Insurance.

Legal and Compliance, with the support of the DPO, jointly follow up the legislation on privacy and supervise the drafting of the privacy clauses in the documentation and the declaration required by law to the privacy commission for all processing of personal data by Belfius Insurance and by the agents of DVV (in the applications of Belfius Insurance).

Finally, the departments Compliance and Life form the Acceptance Committee for assessing risky transactions or customers.

Assuralia's code of conduct for complaints management was adopted by Belfius Insurance and is available on the intranet. Pursuant to that code of conduct, systematic reporting is carried out on the quality of complaint handling and the content of the complaints.

### C.6.6. ESG risks

There is no doubt that climate change and environmental degradation (including biodiversity loss, pollution, and natural resources depletion) will have a significant and lasting impact on economic growth and prosperity. Accordingly, Belfius Insurance has identified climate-related risks as one of the top five risks facing the group for several years now. Given the urgency for climate action and the increasing regulatory scrutiny, Belfius Insurance has decided to prioritise climate-related issues. However, the importance of the three components of ESG - Environmental, Social, and Governance - has become increasingly evident. Consequently, ESG risks now encompass the direct and indirect effects that can impact Belfius through its business operations, financing, insurance, and investment activities. For this reason climate & ESG features are embedded in risk management practices and business processes.

ESG & climate risks influence the risks Belfius Insurance is exposed to. Therefore ESG & climate risks are identified and managed for most of the above mentioned risks.



### ESG Risk Management

In order to manage climate and ESG risks, an ESG Risk Framework was successfully documented in 2024. This Framework is based on the following principles:

- Broadened Scope: The concept of climate risk is extended to all ESG-related risks, with climate risks remaining the primary focus.
- Group Approach: A group approach is applied for topics with similar risk drivers, such as financial stress tests, counterparty risk, mortgage loans, and data collection.
- Continuous Improvement: Given the evolving nature of good practices, methods, and data availability related to sustainability risks, the framework and methodology are continuously improved.

### ESG Risk Indicators

Three ESG risk indicators are embedded in the Risk Appetite Framework of 2025 and are internally reported and monitored on a quarterly basis:

- ESG Resilience Risk: risk that profitability & solvency are materially affected by ESG and climate events.
- ESG Regulatory requirements: risk of not respecting ESG regulatory requirements in due time;
- ESG Strategy: risk that ambitions related to sustainability deemed insufficient (by clients & other major stakeholders) or not reached timely;

Climate and ESG risks for Belfius Insurance are identified and assessed in the climate risk assessment consisting of a climate risk materiality assessment and climate stress tests which are fully updated at least once a year.

### Climate and ESG Risk Assessment

The climate risk materiality assessment plays a crucial role in guiding and enhancing the strategy. It enables Belfius Insurance to identify the risks related to climate change that are material or might become material in the future. In this way, Belfius Insurance fosters awareness within the undertaking and can implement an adequate monitoring and adopt risk mitigation strategies, ensuring short and long-term resilience to material climate risks.

The table on the right gives a summary of the climate risk materiality assessment of both transition- and physical climate risks, considering the short period (0-3 years) and the long term (beyond 10 years), for each activity domain. Note that these are residual risks after applying mitigation measures.

### Climate Risk Assessment

● Low ● Medium ● High ● Very High

As of 2024Q4	Physical risk		Transition risk
	ST	LT	ST
<b>Assets</b>			
Equity & Corp Bond	●	●	●
Government bonds	●	●	●
Mortgage loans	●	●	●
Direct Property	●	●	●
Other	●	●	●
<b>Insurance Liability</b>			
Non-life			
Property	●	●	●
Motor Liability	●	●	●
Life			
Mortality	●	●	●
<b>Operational</b>			
	●		

### Summary of the climate risk materiality results

Based on the materiality assessment results and the existing mitigation measures in place, the residual risks are currently within acceptable limits, in line with Belfius Insurance's risk appetite.

Globally, short-term resilience to climate risks is sufficient. However, it is crucial to monitor these risks closely, as several physical climate risks are expected to increase progressively but materially. Additionally, the transition to a low-carbon economy introduces further uncertainty regarding the valuation and yield of material parts of our investments.

### Zoom on Physical Risk

The short-term physical risk level for all activities is at most medium but assessed as very high in the long term for property insurance.



Government bonds might be affected by public deficits due to severe hazard events. Yet, those events have not demonstrated material GDP impacts nor have led to defaults or major downgrades until now. However, the vulnerability needs to be reassessed in the long-term depending on portfolio composition and the concentration risk on a limited number of countries.

Concerning non-life insurance, despite very high exposures mainly from home coverage due to mandatory catastrophe risk coverage, the physical climate risk in the short term is medium as vulnerability is largely mitigated thanks to an efficient reinsurance program, property and casualty (P&C) contracts that are mainly “one year” tacitly renewable contracts, and the legal limitation of the claims for the natural catastrophes (article 130 of the federal law on insurance). In the medium to long term, increased frequency or severity of climate events could lead to a material rise of the cost of reinsurance and/or its coverage. Therefore, the trend followed by climate physical events has to be monitored closely to see if additional mitigation measures should be taken (e.g. in terms of product offering).

#### Zoom on Transition Risk

The transition risk is relevant for the asset side of the balance sheet. For government bonds in particular, where transition risk can significantly affect the public deficit of states. This impact arises from the substantial investments required for climate transition and adaptation, coupled with increased fiscal costs due to disasters and reduced public revenues resulting from structural economic slow-downs. Many transition events (e.g. new laws and regulations related to energy efficiency requirements and carbon-pricing mechanisms) can impact equity value and corporate bonds credit quality materially but vulnerability is assessed as low because the portfolio composition (top 20) does not contain exposures with high transition risk profile (based on CPRS sectors categories i.e. companies in high greenhouse gas emission sectors).

For direct property and mortgage loans, the risk is mitigated by closely monitoring the Loan-to-Value (LTV) ratios of buildings, improving energy efficiency, the long duration of the contracts, and the high proportion of buildings with economic valuations that already include refurbishment costs.

If an activity domain has a material climate risk, the climate risk materiality assessment is complemented by a climate stress test exercise. In 2025, a natural disaster stress test and a long-term climate stress test were performed.

The primary objective of the natural disaster stress test is to evaluate Belfius Insurance's resilience to a significant increase in natural disasters by simulating 10 major events in a single year, based on historical data on gross claims inflated for 2024 amounts. It assesses the impact on the Solvency II ratio under four different reinsurance structures, ranging from the current setup to the most stringent scenario with higher priority, reduced capacity, and a combination of both. At the end of 2024, the impact of this severe stress scenario is a significant drop of the Solvency II ratio. Nevertheless, Solvency II ratio remains in the risk appetite limits thanks to the risk mitigating impact of the reinsurance program and property and casualty (P&C) contracts that are mainly “one year” tacitly renewable contracts.

The long-term climate stress test evaluates the impact of climate change on Belfius Insurance's profitability and resilience by 2050, focusing on physical and transition risks under a disorderly transition scenario as defined by the Network for Greening the Financial Sector (NGFS). It assumes no significant changes to the business model or market structure, isolating climate-related impacts on non-life insurance, life insurance, and assets. The general conclusion is that while the risks are assessed as low or manageable, there are substantial uncertainties, particularly in non-life claims and transition impacts on asset yields, necessitating ongoing monitoring and adaptation.

## C.7. Any other information

None



# D. Valuations for solvency purposes

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## D.1. Assets

### D.1.1. Description of the bases, methods and main assumptions

Under the Solvency II regulation, the valuation of assets and liabilities starts from a Market Value Balance Sheet (MVBS), meaning all items on the balance sheet are valued at 'fair value'. According to the Solvency II directive, the fair value of assets is defined as the price at which they could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Belfius Insurance follows the valuation hierarchy outlined in the Solvency II Delegated Regulation :

**Level 1:** This level is applied when the market is active, meaning reliable bid-offer prices are available, representing effective transactions for substantial amounts concluded on an arm's length basis between willing counterparties. These market prices provide reliable evidence of fair value and are thus used for fair value measurement (e.g., quoted shares, highly liquid bonds ...).

**Level 2 & Level 3:** For financial instruments without quoted market prices in active markets, alternative valuation techniques are used. The determination of an active market is based on criteria such as volume, bid-offer spread, and the number of price/spread contributions. Belfius employs both standard market models and in-house developed valuation models. The availability of observable market prices and model inputs reduces the need for management judgment and estimation, thus lowering the uncertainty associated with determining fair values. The availability of these inputs varies by product and market and can change based on specific events and general financial market conditions.

For an asset to be included in Level 2, Belfius requires that:

- The model has either passed successful validation by the Validation department of Belfius Bank or complies with the price reconciliation process managed by the Market Risk department of Belfius Bank, which tests the reliability of valuations.
- The data incorporated in Belfius's valuation models are either directly observable (prices) or indirectly observable (spreads).

The table on the next page summarises the fair value hierarchy for the most important asset classes:

**Asset class**

	Mio EUR	% of total
<b>LEVEL 1 TOTAL</b>	<b>13,876</b>	<b>67.0%</b>
Equities - listed	478	2.3%
Government Bonds	5,450	26.3%
Corporate Bonds	2,305	11.1%
Investment funds	267	1.3%
Assets held for index-linked and unit-linked funds	5,376	26.0%
<b>LEVEL 2 TOTAL</b>	<b>371</b>	<b>1.8%</b>
Government Bonds		0.0%
Corporate Bonds	63	0.3%
Structured notes		0.0%
Collateralised securities		0.0%
Loans & mortgages to individuals	21	0.1%
Other loans & mortgages	288	1.4%
<b>LEVEL 3</b>	<b>6,452</b>	<b>31.2%</b>
Property, plant & equipment held for own use	1	0.0%
Property (other than for own use)	723	3.5%
Participations	81	0.4%
Equities - unlisted	302	1.5%
Government Bonds	379	1.8%
Corporate Bonds	168	0.8%
Structured notes	67	0.3%
Investment funds	908	4.4%
Deposits other than cash equivalents	45	0.2%
Derivatives	1	0.0%
Loans on policies	123	0.6%
Loans & mortgages to individuals	3,312	16.0%
Other loans & mortgages	342	1.7%
<b>TOTAL</b>	<b>20,699</b>	<b>100.0%</b>

## D.1.2. Differences in valuation for Solvency purposes and financial reporting

For solvency purposes, all assets are valued at fair value, while for financial reporting purposes, the valuation rules of IFRS are applied.

Under IFRS 9, the classification and measurement of financial assets depend on both the business model for managing these assets and the characteristics of their contractual cash flows.

Belfius Insurance manages its debt securities in line with its ALM policies and guidelines. Consequently, the entire bond and loan portfolios (excluding loans to credit institutions) have been reclassified as “held to collect and sell” to mitigate the volatility in other comprehensive income related to the IFRS 17 valuation of insurance liabilities.

The primary remaining differences between Solvency II and IFRS valuation of assets, pertain to the measurement of intangible assets, property and loans on policies.

## D.2. Technical provisions

### D.2.1. Best Estimate and Risk margin

As mandated by the Solvency II directive, technical provisions are comprised of a best estimate and a risk margin. This total represents the amount an insurance company would need to pay if it were to transfer its insurance and reinsurance obligations immediately to another insurer.

To obtain the **best estimate**, which reflects the probability-weighted average of future cash flows, the calculation must consider all uncertainties associated with these cash flows. This requires the valuation methodology to incorporate specific characteristics of the cash flows. Consequently, assumptions must be made regarding the uncertainties related to several factors, including:

- the timing, frequency, and severity of insured events;
- claim amounts and the time required to settle the claims;
- the amount of expenses;



- interdependencies between different sources of uncertainty;
- policyholder behaviour;
- expected future developments, such as demographic, legal, medical, technological, social, and environmental changes, including inflation, both specific to the entity and the portfolio.

The calculation of the best estimate should only include future cash-flows associated with existing insurance and reinsurance contracts.

The cash flows are then discounted using the risk-free interest rate term structure established and provided by the regulator, except for unit-linked business.

To account for spread movements of the assets, a volatility adjustment provided and updated by EIOPA is applied to this curve.

The actuarial methods used to calculate the best estimate and risk margin differ between Life and Non-Life insurance activities.

A homogeneous risk group consists of (re)insurance obligations that are managed collectively and share similar risk characteristics, such as underwriting risk, policyholder risk profile, product features, and more. The risks within each group should be sufficiently alike to enable a reliable valuation of the technical provisions. Consequently, insurance obligations are divided into homogeneous risk groups to perform the best estimate calculations. For each homogeneous risk group, future cash inflows and outflows required to settle the insurance obligations over their lifetime are projected and discounted using the relevant risk-free interest rate term structure provided by EIOPA.

The best estimate and risk margins for Non-Life, Health, Life and Unit Linked can be found in the quantitative reporting template S.02.01.

A Risk Margin is included to ensure that the value of the technical provisions matches the amount another insurance company requires to assume the obligations of the original insurer

The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over their lifetime.

The Risk Margin is defined as the present value of the current and future cost-of-capital required to support liabilities until they are fully run off. This involves calculating the Solvency Capital Requirements (SCRs) associated with non-hedgeable risks for existing liabilities for each future year until the liabilities are extinguished. These SCRs are then multiplied by the cost-of-capital rate, which is set at 6% by the regulator, discounted, and summed to form the risk margin.

#### D.2.1.1. Best Estimate Non-Life

The best estimate for Non-Life insurance activities comprises two components: the claims best estimate and the premium best estimate.

- The claims best estimate is derived from cash flow projections related to claims that have occurred on or before the valuation date, regardless of whether these claims have been reported. It includes:
  - Cash inflows: recoveries on claims from third party or clients
  - Cash outflows: claims payments and claims handling expenses

The expected claims payments are determined using the ultimate loss per accident year, estimated from provision and payment triangles constructed using the Chain Ladder method. This based on the last 25 years and taking into account the estimated future inflation on existing claims. If the historical data for certain products is insufficient, the accounting provisions are used as the best estimate.

- The premium best estimate relates to future claims, premiums, and costs associated with contracts currently in force. Belfius Insurance uses the simplified calculation method recommended by EIOPA, which is based on an estimate of the ultimate (net) combined ratio, discounted per line of activity. Additionally, the premium best estimate includes contracts with tacit renewal where the cancellation notification period (typically three months before the contract's end date) has passed.

#### D.2.1.2. Best Estimate Life

The best estimates of life insurance liabilities can be divided into two components:

- the best estimate of fixed cash flows;
- the best estimate of variable cash flows.

The best estimate of fixed cash flows corresponds to the current value of insurance cash flows calculated based on a central economic scenario. These cash-flows are modelled in the liabilities cash flow model and depend on biometric, commercial and regulatory assumptions.



The main components of fixed cash flows include:

- Cash in flows
  - premiums;
  - contractual premium renewals.
- Cash out flows
  - benefit payments (non-exhaustive list: maturity benefits, death benefits, disability benefits, surrender benefits, annuity payments, profit sharing bonuses, payments with respect to additional riders...);
  - operational expenses (such as administrative expenses, claims management expenses, acquisition expenses, overhead expenses). The projection of expenses has to include future expected inflation;
  - other cash flows (e.g. levies).

The best estimate of variable cash flows is the difference between the current value of insurance cash flows calculated using stochastic scenarios and those calculated based on the central scenario. These cash flows are modelled in the ALM model and are partially dependent on fixed cash flows.

The main components of variable cash flows include:

- Evolution of funds for financing classic group insurance products;
- Financial expenses and variable commissions;
- Profit-sharing cash flows;
- Adjusted market value of the redemption penalty.

Belfius Insurance uses Prophet software for modelling liabilities cash flows and ALM modelling.

Prophet uses generally accepted actuarial methods and is specifically designed for modelling insurance portfolios, starting with liabilities and their interaction with the assets they depend on, while allowing for discretionary management of elements such as reinvestment and profit-sharing allocation.

All cash flow projections consider the contract boundary definition as specified in the Solvency II regulation. The calculation of the best estimate should only include future cash flows associated with existing insurance and reinsurance contracts. The cashflow projections also includes options and guarantees that are related to the contract.

### D.2.1.3. Non-Economic assumptions

To project future cash flows, a number of projection assumptions are required.

Belfius Insurance reassesses the non-economic assumptions at least once a year, based on the most recent data and the annual back-testing. The results of the reassessment are presented to the Model Steering Group, which can propose to the Management Board to revise the assumptions if necessary.

- Assumptions of mortality
 

For mortality assumptions, Belfius Insurance uses appropriate prospective experience tables from FPB. Coefficients are applied to the mortality rates of these tables by homogeneous product group to account for the specific mortality observed in Belfius Insurance's product.
- Assumptions on redemptions and paid-up
 

Redemption and paid-up assumptions are calculated based on the type of insurance product and the age or remaining age of the policy. A five-year history is retained for this purpose. If data for a specific product is insufficient, a redemption rate for a similar product is used. These assumptions are reviewed by the head of the activity line, the actuarial function, and the risk management department before being presented to the Model Steering Group, which further challenges them. Redemption rates may be adjusted if necessary, based on expert judgment.
- Assumptions on costs
 

Cost assumptions are determined by the activity line in conjunction with information from the Strategic Planning & Performance Management department. An inflation rate is applied to cash flows associated with costs, excluding financial costs.

Costs are categorised into:

  - costs relating to acquisitions;
  - administrative costs;
  - claims management costs;
  - financial costs.

All these assumptions may be adjusted if necessary, based on expert judgment.

### D.2.1.4. Economic assumptions

Belfius Insurance uses risk neutral economic scenarios for valuing its life insurance liabilities. The economic scenarios used in stochastic projections are generated by the Moody's Analytics Economic Scenario Generator (ESG) tool. The outputs from the ESG tool feed the ALM model for stochastic valuation of the portfolios.



### D.2.1.5. Future management actions

In accordance with the principle of prudence, management actions must not result in any reduction of the contractual and tariff commitments when calculating the best estimate.

Three future management actions are incorporated into best estimate calculations and are submitted to the Management Board and Board of Directors of Belfius Insurance:

- Future discretionary profit sharing allocation  
These discretionary amounts are defined in line with the latest validated profit sharing policy and will increase the existing contractual liabilities reflecting additional benefits on top of the tariff commitment.
- Strategic asset allocation  
The value of discretionary profit sharing included in the best estimate of Life insurance liabilities is influenced by the reinvestment assumption, which are aligned with the Strategic Asset Allocation.
- Reinsurance renewal  
Reinsurance concerning Life coverage has remained stable over the years so that the last validated reinsurance program is projected in the future. This will have an impact on the future reinsurance cost in the best estimate whereas it is assumed, in line with the prudence principle, that there will be no reinsurance intervention in future claims (i.e. gross calculation).

There are no major future management actions concerning the best estimate of non-life claims, where the reinsurance program in place at the date of occurrence will apply. It is assumed that expected claims from non-life best estimate premiums will be subject to the last validated reinsurance program.

## D.3. Other liabilities

For most liabilities the valuations used in the IFRS financial statements are considered to be consistent with the valuation rules prescribed in the Solvency II legislation.

However, certain categories require specific revaluations:

- Provisions other than technical provisions  
Under Solvency II, an additional provision is constituted by virtue of elements not fully covered by the best estimate valuation model.
- Deferred taxes  
Deferred taxes are calculated on all temporary valuation differences between the Solvency II balance sheet and the tax balance sheet. Deferred tax assets and liabilities are offset against each other and the net deferred tax position is included in the market value balance sheet in accordance with the rules defined by the NBB\_2022 27 circular.
- Subordinated Liabilities  
The fair value of the subordinated debt issued by Belfius Insurance does not account for changes in Belfius Insurance's own credit standing after initial recognition.

## D.4. Alternative methods for valuation

In line with Solvency II guidance and philosophy, alternative valuation methods are used for sufficiently material items lacking a reliable market price .

The assets for which these alternative valuation methods are applied are identified in section D1 ( assets level 2 & 3). For some asset classes, IFRS valuation is sufficiently close to any value that would be obtained using an elaborate alternative valuation method, in which case IFRS valuation is considered an acceptable proxy.

To ensure that assets and liabilities subject to models are valued in line with Solvency II, specific policies and processes are in place.

### D.4.1. Liabilities

Different policies in place give assurance on the models and the resulting valuation: model governance policy, model validation policy, actuarial function charter, reserving policy.

Various policies ensure the accuracy of the models and their resulting valuations, including model governance policy, model validation policy, actuarial function charter, and reserving policy.



Several controls and reviews are conducted at each quarterly and yearly closing, including:

- First-line control on liabilities, including data quality;
- Second-line control by the Risk and Actuarial Function;
- Life and Non-Life steering meetings;
- Reserving committee;
- External auditor reviews.

Throughout the year, strong model governance is maintained, encompassing different phases such as modelling, UAT, and validation.

## D.4.2. Unquoted assets

Depending on the asset type, the following approaches are applied:

- Non basic funds (incl. convertible loans): prices are based on a model developed by Risk Belfius Bank that has been subject to a validation process. The monthly upload is done by Accounting after consistency checks with additional controls by Investment on the position of non-basic funds.
- Illiquid funds, private equities and participations: the value provided by Asset Managers is challenged by Investment and Risk Belfius Insurance during “Out of FM Forum” and validated by the “FM FV committee”. If necessary the value of the participations is adapted by Finance Actuary Life to be aligned with SII valuation.
- Mortgages: a model has been developed and validated by Risk Belfius Insurance. Finance Actuary Life performs a quarterly valuation of mortgages with updated assumptions. The values are challenged and reviewed by the second line of defence within Belfius Insurance.
- Buildings: their value is managed and updated at least yearly by Investment. There is a challenge by the Real Estate Steering Group.
- Derivatives: a model has been developed by Risk Belfius Bank that has been subject to a validation process. The market evolution and related margin calls are challenged by Investment.

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## D.5. Any other information

Nothing to report.

# E. Capital management

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## E.1. Own funds

Managing capital is the ongoing process of determining and maintaining the appropriate quantity and quality of capital for Belfius Insurance. The objective of capital management is to ensure the continuous adequacy and optimal allocation of available capital. Given the potentially harmful market developments, it is crucial to have a thorough understanding of the nature and extent of the risks when calculating the own funds required to cover our risks.

Capital management is a crucial aspect of effective and appropriate management, taking into account the validated risk appetite and the operational risk limits derived from it. Within this framework, Belfius Insurance regularly assesses its risk exposure and identifies the corresponding capital requirements. It also evaluates the level of capital available to meet regulatory capital requirements, ensuring that capital tiering meets the eligibility conditions defined by Solvency II.

Belfius Insurance's capital policy outlines the necessary guidelines for effective monitoring and classification of capital elements. Additionally, through specific procedures, the Belfius Insurance Group periodically checks the Solvency II ratio and the established capital within the risk management system. The Management Board and the Board of Directors are informed at least quarterly about the solvency position and its evolution. Furthermore, Belfius Insurance conducts stress tests by subjecting specific market parameters to shocks. These tests demonstrate that the available capital is sufficient to withstand such shocks. For each of the shocks applied in 2025, the solvency ratio after the shock remained above the internal risk appetite limit approved by the Board of Directors.

A prospective view of capital needs is based on the strategic planning exercise, considering Belfius Insurance's risk appetite targets. As part of capital management, within the ORSA forward-looking exercise, Belfius Insurance performs annual solvency projections and reviews the expected structure of own funds and future requirements. This process, known as capital planning, helps focus on actions for future funding if such a need arises from the projections.

The business plan, which reflects the activities Belfius Insurance intends to pursue over the coming years, the products it plans to offer, and the tariffs at which these products will be marketed, forms the basis for projecting funding requirements.

The capital planning report presents the key results of the capital planning exercise, aimed at challenging the feasibility of the business plan in relation to solvency limits. It anticipates the impact of the company's strategic direction on its primary economic figures and its solvency. Consequently, the potential future issuance of new own fund items to maintain robust solvency and their classification are part of the medium-term capital planning exercise.

Based on the conclusions of this capital planning exercise, where the projected evolution of own funds is sufficient to meet the expected solvency requirements in line with the current business plan goals, Belfius Insurance does not need to issue additional new own fund items in the short or medium term to achieve these strategic ambitions.

However, if the solvency ratio anticipated in a given scenario falls below the level accepted by the Board of Directors, Belfius Insurance would develop an action plan to manage this capital risk. Potential actions to control the capital-related risk may include reducing the required capital (and thus the underlying risks) or reinforcing the capital base.



The objectives of capital and risk management are closely linked to the dividend policy, which takes account of the wishes of shareholders, management and the supervisory authority whilst offering good protection to our customers. Our internal objective for the solvency ratio is to have sufficient but no excessive capital, enabling us to respect our risk appetite and the requirements of all stakeholders. This optimal ratio should allow us to make the best use of capital to serve a profitable growth scenario. Belfius Insurance has, in the current market circumstances and under current regulations, defined a minimum Solvency II ratio of 160% in its Risk Appetite framework.

The Board of Directors has proposed to the General Assembly to cancel the dividend for the year 2025 to compensate for the reimbursement at the beginning of 2026 of the restricted Tier 1 subordinated loan. This would strengthen the unrestricted Tier 1 capital and increase our resilience in stress scenarios. The profit 2025 to be allocated will be included in the profit carried forward.

The Solvency II-ratio of Belfius Insurance stood at 201% at the end of December 2025.

## E.1.1. Capital structure and quality

Belfius Insurance evaluates the classification of its capital components based on the “Tiering” structure outlined by Solvency II. The specific attributes of each capital element are reviewed to determine if they qualify as available capital and to classify them into the appropriate “Tier.” When calculating the capital considered for meeting minimum capital requirements (MCR) and solvency capital requirements (SCR), the criteria and limits established by law (eligibility) are taken into account.

The regulatory own funds after dividend of Belfius Insurance amounted to EUR 2,278 million at the end of December 2025. The available capital consisted for 79% of highest quality capital, being the Tier 1 capital. This no longer includes the grandfathered perpetual Tier 1 loan. The Tier 2 capital of EUR 356 million mainly consists of 2 subordinated loans granted by Belfius Bank and the Tier 3 capital of EUR 115 million concerns the deferred tax assets.

Compared to December 2024, the regulatory equity of Belfius Insurance increased by EUR 188 million. For the financial year 2025, no dividend will be paid out to compensate for the reimbursement at the beginning of 2026 of the restricted Tier 1 subordinated loan. At the end of 2025, we saw an increase in interest rates, but a decrease in the credit spread, with an overall negative effect on the market value of the assets. However, this was more than compensated by a decrease in the best estimate of the technical provisions.

The table below presents the capital taken into account, classified by Tier.

### Belfius Insurance 2025

(in millions of EUR)	Unrestricted Tier 1	Restricted Tier 1	Tier 2	Tier 3	Total
Elements of basic own funds	1,807	0	345	115	2,267
Capital in paid-up ordinary shares	557	-	0	-	557
Reconciliation reserve	1,216	-	-	-	1,216
Surplus Funds	35	-	-	-	35
Subordinated liabilities	-	0	345	0	345
Net deferred tax assets	-	-	-	115	115
Elements deducted from own funds	0	0	0	0	0
Elements of ancillary own funds	-	-	11	0	11
Capital in non-paid-up ordinary shares	-	-	11	0	11
MCR eligible own funds	1,807	0	102	0	1,909
<b>SCR ELIGIBLE OWN FUNDS</b>	<b>1,807</b>	<b>0</b>	<b>356</b>	<b>115</b>	<b>2,278</b>
SCR					1,134
MCR					510
<b>SR AFTER DIVIDEND</b>					<b>201%</b>

Belfius Insurance has unrestricted Tier 1 capital, Tier 2, Tier 2 ancillary own funds and Tier 3 capital. As 2025 ended with a deferred tax asset in the balance sheet established in accordance with Solvency II standards, a deferred tax receivable may be used as Tier 3 capital.

- Unrestricted Tier 1 capital of EUR 1,807 million EUR consists of fully paid-up ordinary share capital, surplus funds and the reconciliation reserve.

Belfius Insurance has a single majority shareholder (Belfius Bank SA, 99.9%). The ordinary share capital is EUR 567.4 million, of which EUR 556.5 million is paid up. It is not subordinated and its term is indefinite. Belfius Insurance has issued no preferential shares and no share premium account.

The surplus funds for an amount of EUR 35 million represent the Fund for future allocations.

The reconciliation reserve corresponds to the positive difference between assets and liabilities valued in accordance with the Solvency II Directive, reduced by ordinary paid-up capital, surplus funds, Deferred Tax assets and foreseen dividends.



Below is an analysis of the evolution of the unrestricted Tier 1 elements :

### Changes during book year 2025

(in millions of EUR)	Unrestricted Tier 1
<b>UNRESTRICTED TIER 1 END OF 2024</b>	<b>1,478</b>
Constituted by:	
The positive excess of assets over liabilities	1,705
DFT Asset	-90
Forseeable dividends	-136
In other words:	
Ordinary paid-up share capital	557
Surplus funds	35
Reconciliation reserve	887
<b>CAPITAL INCREASES DURING THE PERIOD</b>	<b>0</b>
<b>CHANGES IN SURPLUS FUNDS</b>	<b>0</b>
<b>CHANGES IN THE RECONCILIATION RESERVE</b>	<b>328</b>
Changes in the IFRS equity Belfius Insurance group	82
Changes in the value of assets Solvency II	23
Changes in the value of technical provisions Solvency II	165
Changes in the value of reinsurance Solvency II	-2
Change in the value of subordinated loans Solvency II	-6
Difference in the level of forseeable dividends	136
Other scope & changes in Solvency II	-50
Delta recognized deferred taxes on SII Adjustments	-20
<b>UNRESTRICTED TIER 1 END OF 2025</b>	<b>1,807</b>
Constituted by:	
The positive excess assets over liabilities	1,922
DFT Asset	-115
Forseeable dividends	0
In other words:	
Ordinary paid-up share capital	557
Surplus funds	35
Reconciliation reserve	1,216

- The paid-in perpetual subordinated loan of EUR 170 million with Belfius Bank, which qualified as restricted Tier 1 capital under grandfathering provisions, will be repaid in February 2026 due to the end of transitional measures and is no longer included in our restricted Tier 1 own funds.
- Two subordinated loans show characteristics which allow them to be qualified as elements of core Tier 2 capital. The market value of these liabilities was calculated in accordance with the Solvency II regulations.
  - The first has a nominal value of EUR 250 million, a fixed interest rate and a term of ten years. Given the maturity date end of 2026, it will need to be replaced, restructured, or divested in due time.
  - The second is a subordinated loan for a nominal amount of EUR 100 million, with a variable interest rate, a term of 10.25 years and a first call date after 10 years.
- The ordinary non-paid-up and non-called share capital, which may be called on request for an amount of EUR 10.9 million, has the characteristics which allow it to be qualified as ancillary Tier 2 capital of the Belfius Insurance Group. The NBB approved the request in relation to this ancillary asset component not shown in the balance sheet. The use of this element is subject to quantitative restrictions; the component may not be used to cover the MCR.
- As Belfius Insurance has no participation in financial organisations or credit institutions with a holding of more than 10% of the ordinary paid-up share capital and the reconciliation reserve, no deduction has to be applied. Belfius Insurance does not have a single holding in another insurance. In addition to their share capital, the subsidiaries of Belfius Insurance have not issued any capital element.

There are no significant restrictions affecting the availability and transferability of own funds.



## E.1.2. Reconciliation between the net asset value under Solvency II and IFRS capital

The table below presents the reconciliation between capital included in the IFRS annual consolidated financial statements of Belfius for end of December 2025 and the net asset value (equal to the difference between assets and liabilities) as calculated under Solvency II:

### Belfius Insurance

(in millions of EUR)

Ordinary paid-up share capital	557
Legal reserve	57
Non-available reserves	0
Available reserves	11
Profit/loss carried forward	1,058
Profit of the year	288
Latent or deferred gains and losses on assets not recognised in P&L	-846
Latent or deferred gains and losses on liabilities not recognised in P&L	574
Remeasurement Pension Plans	11
Deferred taxes on IFRS Equity adjustments	190
Non-controlling interests	49

### IFRS EQUITY BELFIUS INSURANCE GROUP 1,949

Solvency II adjustments	
Adjustment of the asset valuation	248
Adjustment of the intangible asset valuation	-71
Adjustment of the subordinated loan valuation	6
Adjustment of the valuation of technical provisions	-108
Adjustment of the reinsurance valuation	-19
Scope and other changes	-76
Recognized deferred taxes on previous Solvency II adjustments	-7

### THE POSITIVE EXCESS OF ASSETS OVER LIABILITIES AS CALCULATED FOR SOLVENCY PURPOSE 1,922

The difference between the IFRS consolidated equity and the positive excess assets over liabilities calculated under Solvency II is largely attributed to the following factors:

- Under Solvency II, all assets are valued at market value, whereas, under IFRS, the valuation depends on the IFRS9 Business model classification of the financial instruments. On 1 January 2023, Belfius Insurance conducted a review of its business models follow-

ing the initial adoption of IFRS 17. Specifically, an accounting mismatch arose because Belfius Insurance chose the OCI option under IFRS17, which recognises part of the discount effect on technical liabilities in OCI. As IFRS 9 allows a reassessment of business models in conjunction with IFRS 17, Belfius Insurance reclassified its entire bond and loan portfolios (excluding loans to credit institutions) from a hold-to-collect business model measured at amortised cost to a hold-to-collect-and-sell business model, thereby measuring these portfolios at fair value through other comprehensive income from 1 January 2023 onwards. The primary remaining differences between Solvency II and IFRS valuation of assets, pertain to the measurement of intangible assets, property and loans on policies.

- In the Solvency II balance sheet, technical provisions are also stated at market (or market-consistent) value compared to IFRS 17 valuation. Since the introduction of IFRS 17 replacing IFRS 4, this difference has significantly decreased.

For more detailed information on this subject, please refer to Chapter D - Valuations for solvency purposes.

## E.1.3. Available Financial Resources (AFR)

The table below presents an overview of the eligible own funds to cover the Solvency II requirements

### Belfius Insurance

(in millions of EUR)	31/12/2024	31/12/2025
<b>AVAILABLE FINANCIAL RESOURCES BEFORE FORESEEABLE DIVIDEND</b>	<b>2,227</b>	<b>2,278</b>
Tier 1	1,615	1,807
IFRS Equity	1,867	1,949
Valuation difference (after tax)	-252	-142
Restricted Tier 1	171	0
Tier 2	351	356
Subordinated debt	340	345
Others	11	11
Tier 3	90	115
DTA	90	115
<b>AVAILABLE FINANCIAL RESOURCES AFTER FORESEEABLE DIVIDEND</b>	<b>2,090</b>	<b>2,278</b>
AFR before foreseeable dividend	2,227	2,278
Foreseeable dividend	136	0



At the end of 2025, the Solvency II available capital (AFR) was EUR 2,278 million. The available capital consisted for 79% of highest quality capital, being the Tier 1 capital. This no longer includes the grandfathered perpetual Tier 1 loan.

Tier 2 capital equals EUR 356 million and consists mainly of two subordinated loans granted by Belfius Bank and the Tier 3 capital relates to a deferred tax asset of EUR 115 million.

Compared to December 2024, the regulatory equity of Belfius Insurance increased by EUR 188 million. For the financial year 2025, no dividend will be paid out to compensate for the reimbursement at the beginning of 2026 of the restricted Tier 1 subordinated loan. At the end of 2025, we saw an increase in interest rates, but a decrease in the credit spread, with an overall negative effect on the market value of the assets. However, this was more than compensated by a decrease in the best estimate of the technical provisions.

As part of capital management, within the ORSA forward looking exercise, Belfius Insurance performs annual solvency projections and reviews the expected structure of own funds and future requirements.

The Available Financial Resources (AFR) still increase after payment of planned dividends, thanks to a combination of lowering Net combined ratio and increasing premium volumes in Non-Life, the value creation on new business Life and the excess return on top of risk-free return on Assets under Management.

In the capital planning exercise the projected evolution of the own funds is sufficient to face the expected solvency requirements in line with the business plan ambitions.

## E.2. Solvency Capital Requirement and Minimum Capital Requirement

### E.2.1. Required solvency capital

The Solvency II Capital Requirement (SCR) is calculated based on the asset and liability portfolio of Belfius Insurance and those investment entities included by look through for Solvency II purposes.

The SCR for Belfius Insurance is determined using the “Standard Formula” as defined in the Solvency II regulation, taking into account a volatility adjustment.

The table below presents an overview of the required capital:

(in millions of EUR)	31/12/2024	31/12/2025
<b>SOLVENCY II CAPITAL REQUIREMENT</b>	<b>1,067</b>	<b>1,134</b>
Market risk	706	783
Credit Risk	103	97
Insurance Risk	803	867
Operational Risk	86	86
Diversification	-530	-565
Loss Absorbing Capacity of Technical Provisions and Deffered Tax	-101	-134
<b>MINIMUM SOLVENCY REQUIREMENT</b>	<b>480</b>	<b>510</b>

Belfius Insurance's SCR amounted to EUR 1,134 million at the end of December 2025, an increase of EUR 66 million compared to the end of 2024. Market risk remains the main contributor to the required capital, due to spread and equity risk. The SCR linked to interest rate risk was rather limited thanks to the ALM management of Belfius Insurance, targeting a limited global duration mismatch between assets and liabilities. The second important contributor is the Insurance risk. The Life Insurance risk increased over the year aligned with the evolution of the interest rates. The Non-Life Insurance risk decreased in the absence of natural catastrophe events combined with a good reinsurance coverage, even if this business is growing aligned with the strategy.

The Belfius Insurance Minimum Capital Requirement (MCR) amounts to EUR 510 million as at end of December 2025.



For more detailed information, please refer to the Quantitative Reporting Template (QRT) S.25.01.

The evolution of required capital was projected as part of the Own Risk & Solvency Assessment (ORSA). The projected Solvency Capital Requirement rises over the business plan period, driven by the growing non-life and life underwriting risks associated with planned new production, and the increasing market risk proportionate to the increasing Assets under Management .

## E.2.2. Solvency II ratio

The Solvency II ratio of Belfius Insurance was 201% at the end of December 2025. This represents an increase from the previous year's 196%, attributed to an increase in SCR more than fully compensated by the rise in Available Financial Resources (AFR) after the foreseeable dividend.

The Board of Directors of Belfius Insurance has proposed to the General Assembly the distribution of a EUR 0 million dividend for FY 2025 to compensate the reimbursement of the restricted Tier 1 subordinated loan for an amount of EUR 171 million.

Besides to the minimum regulatory requirement of 100%, Belfius Insurance has defined a minimum Solvency II ratio of 160% in its Risk Appetite framework under current market conditions and regulations.

The table below shows the impact of some shocks on our solvency II ratio:

	Shock	Solvency II Ratio (in %)	Δ SII
Base case (after dividend)		201%	
Stress scenarios			
Interest rate	-50bps	211%	+11pp
Equity	-30%	196%	-5pp
Credit Spread			
Credit spread on corporate bonds	+50bps	206%	+5pp
Credit spread on government bonds	+50bps	185%	-15pp
Credit spread on corporate & government bonds	+50bps	188%	-13pp
Real Estate	-15%	193%	-8pp
Volatility Adjustment (VA)	no VA	192%	-9pp
Ultimate forward rate (UFR)	equals 3%	200%	-1pp

In addition to establishing a comprehensive risk framework, the Solvency II regulations mandate a self-assessment that considers the business plan, highlights future capital buffers, and implements various sensitivities. This capital planning exercise concludes that the projected evolution of own funds is more than adequate to meet the expected solvency requirements in line with the business plan's ambitions.

The capital management strategy underlying this capital planning exercise aims to optimise the use of available capital to:

- Support the growth of the Non-life activity and maintain the production of Branch 21 products;
- Achieve the Strategic Asset Allocation to maximise financial revenues, while considering the Risk Appetite Framework and associated stress tests.

In the capital planning exercise the projected evolution of the own funds is sufficient to face the expected solvency requirements in line with the business plan ambitions.

## E.3. Duration based SCR Equity

Not applicable in the case of Belfius Insurance.

## E.4. Internal model

Not applicable in the case of Belfius Insurance.



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## E.5. Non-compliance risk

Considering the available capital of Belfius Insurance, the risk of non-compliance with the SCR or the MCR is not very high. The results of the stress tests on the business plan and various analyses of sensitivity performed at closing date do not raise any issues regarding the SCR or the MCR.

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## E.6. Any other information

No exceptional event, liable significantly to influence the solvency of Belfius Insurance, occurred between the closing date and the publication of the SFCR.



# F. Appendix

## F.1. Appendix 1: List of companies associated with Belfius Insurance

Subsidiaries, equity accounted enterprises, affiliated enterprises and enterprises in which the Group holds rights representing at least 20% of the issued capital

### 1. Fully-consolidated subsidiaries in IFRS statements

Name	Head Office	% of capital held <sup>(1)</sup>	Reason for exclusion	Solvency II Statutory
Belfius Euro Loans	Karel Rogierplein 11 – B-1210 Brussel	99.99		Transparency
Belfius Insurance Services Finance SA	Rue de l'Industrie 20 – L-8399 Windhof	100		Transparency
Capline NV	Karel Rogierplein 11 – B-1210 Brussel	74.99		Transparency
Caring People NV	Karel Rogierplein 11 – B-1210 Brussel	100		Participation at fair value
Coquelets NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Elantis SA	Rue des Clarisses 38 – B-4000 Liège	100		Participation at fair value
ImmoActivity NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Immo Malvoz BVBA	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Immo Sint-Michel	Karel Rogierplein 11 – B-1210 Brussel	100		Participation at fair value
Immo Trèfles SPRL	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Immo Zeedrift NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Interfinance	Karel Rogierplein 11 – B-1210 Brussel	74.99		Transparency
Jaimy NV	Karel Rogierplein 11 – B-1210 Brussel	100		Participation at fair value
Legros-Renier – Les Amarentes Seigneurie de Loverval NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
LFB NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
MC <sup>2</sup> Development NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Offico Immo BVBA	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Philadelphus NV	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency
Renouv'o	Karel Rogierplein 11 – B-1210 Brussel	100		Transparency

There are no significant restrictions on the subsidiaries, on their ability to access or use assets, and settle liabilities, of the group.

(1) percentage of capital held by holding company.



## 2. Non-fully consolidated subsidiaries

Name	Head Office	% of capital held <sup>(1)</sup>	Reason for exclusion	Solvency II Statutory
Qualitass NV	Vilvoordsesteenweg 166 – B-1850 Grimbergen	100		Participation at fair value
VDL - Interass NV	Esplanade Oscar Van de Voorde 1 – B-9000 Gent	100		Participation at fair value

## 3. Affiliated companies accounted for by the equity method

Name	Head Office	% of capital held <sup>(1)</sup>	Reason for exclusion	Solvency II Statutory
De Haan Vakantiehuizen NV	Woluwelaan 46 – B-1200 Sint-Lambrechts-Woluwe	25		Participation at fair value
EPC CVBA (Economie Populaire de Ciney)	Rue Edouard Dinot 32 – B-5590 Ciney	61.37		Participation at fair value
Fixxer	Karel Rogierplein 11 – B-1210 Brussel	50.16		Participation at fair value
LIVe NV (Land Investment Vehicle)	Brugmannlaan 27A – B-1060 Brussel	25		Participation at fair value

## 4. Affiliated companies not accounted for by the equity method

Name	Head Office	% of capital held <sup>(1)</sup>	Reason for exclusion	Solvency II Statutory
Assurcard NV	Nieuwlandlaan 111 Box 103 – B-3200 Aarschot	20	Not material	Participation at fair value
Belwing SA	Avenue Maurice-Desteny 13 – B-4000 Liège	20	Not material	Participation at fair value
R.E.D. Laboratories NV	Z1. Researchpark 100 – B-1731 Zellik	22.20	Not material	Participation at fair value
Syneco Agence Conseil VZW	Place l'Ilon 13 – B-5000 Namur	20	Not material	Participation at fair value

(1) percentage of capital held by holding company.

## F.2. Appendix 2: List of public QRTs

The QRTs are published on the site:

<https://www.belfius.be/about-us/en/investors/results-reports/reports>

## NEED FURTHER GENERAL INFO ON BELFIUS INSURANCE?

Surf [communication@belfius-insurance.be](mailto:communication@belfius-insurance.be)

Any other queries? Call +32 2 286 76 11 (Mon-Thurs: 8.30 am – 17 pm/Fri: 8.30 am - 16.30 pm).

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