Belfius FY 2024 results

Presentation to analysts and investors

27 February 2025

Note: This presentation contains unaudited figures.

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Note: Please note that the sum of values in the tables and texts may differ slightly from the reported total due to rounding.

Belfius FY 2024 - Highlights

	2023	2024
Net Income	1,115m€	1,127m€
Cost/Income ratio	43%	43%
CET1 ratio	16.0%	15.4%

	2023	2024
Savings and Investments	186.4bn€	197.5bn€
Loans	113.7bn€	118.4bn€
Premiums Non-Life	822m€	868m€

1. Commercial & financial performance

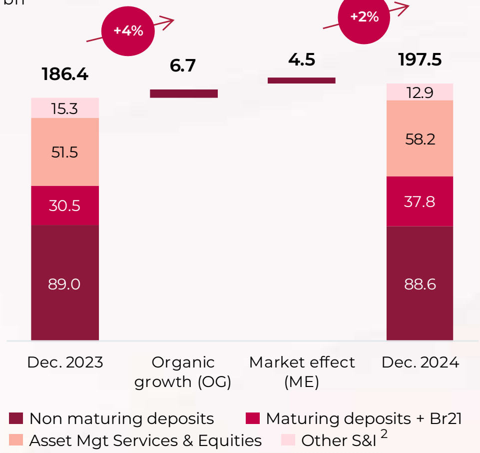
Solid commercial dynamics on both side of the balance sheet, despite slowdown of the economy, driven by strong OG in S&I, and solid E&E&P loan production

Group

Savings & Investments: strong OG & positive ME

Outstanding savings & investments[1]

EUR bn



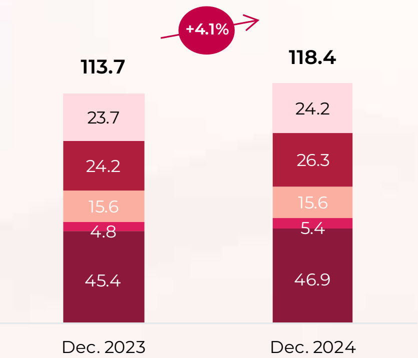
- Total savings & investments amounted to EUR 197.5bn per end 2024, an increase by +6% compared to end 2023:
  - S&I continues to show a shift, albeit at a lower pace, in product mix from Non-Maturing Deposits (EUR -0.4bn) and Other S&I (EUR -2.4bn) towards Asset Management Services (EUR +6.5bn), Term/Straight deposits (EUR +4.4bn), Savings Certificates (EUR +1.4bn) and Bonds (EUR +1.1bn);
  - Asset Management Services volume increases thanks to strong Organic Growth (EUR +2.5bn) and positive Market Effect (EUR +3.9bn).

Group

Outstanding loans to customers keeps growing by +4.1% in 2024; slowdown in Corporate and Business loans production compensated by strong production of mortgages and PSB

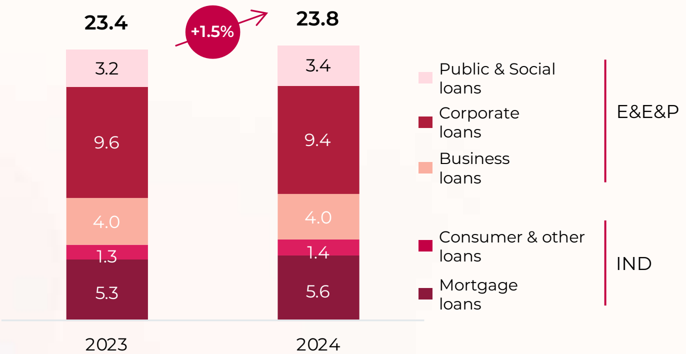
Outstanding loans to customers

EUR bn



Long term Loan production

EUR bn



- Increase of loans outstanding by +4.1% towards EUR 118.4bn per end December 2024, driven by strong LT loan production in Individuals and PSB loans.
- Loan production stood at EUR 23.8bn in FY 2024, up by +0.4bn from EUR 23.4bn in FY 2023. Public & Social loan production grew by +7% and mortgages loan production grew by +5% in FY 2024 compared to FY 2023, whereas corporate loan production slightly declined by -2% compared to FY 2023, although being at a very high level.

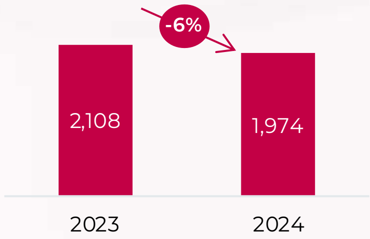
Notes: 1. Please note that a refinement of the volumes allocation by products occurred in 2024. This implicates a difference with the published volumes figures as of 2023; 2. Other S&I consisting of third-party products, commercial paper & pension insurance.

Lower NII, after having peaked in 2H 2023, while net fee & commission income bank continues to increase, again showing the resilience of our diversified strategy

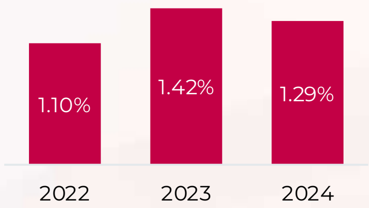
Bank

Decreasing NII bank due to lower margin on deposits and lower interest rates environment

Net interest income Bank
EUR m



NIM[1]
%

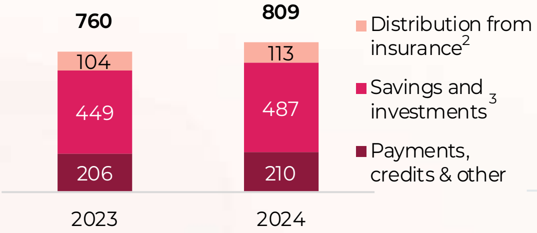


- Net Interest Income Bank, although benefitting from a positive reinvestment rate effect, decreased by -6% compared to FY 2023, due to (i) higher tariffs on non maturing deposits; (ii) reduced interest income on decreasing non maturing deposits volumes a.o. due to 1Y Government bond; (iii) margin pressure on loans in a very competitive Belgian market; and (iv) absence of remuneration on the mandatory liquidity reserve held at National Bank of Belgium.
- YoY wise, NIM decreased from 1.42% in FY 2023 towards 1.29% in FY 2024, and this after a sharp rise as from end 2022 to end 2023.

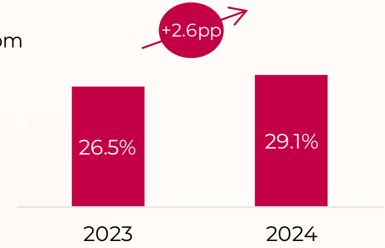
Bank

Improving diversification of income, stemming from growing bank fee & commission income

Fee and commission income Bank
EUR m



Bank income diversification
% Fees / (Fees + NII)



- Increasing fee and commission income (+6%):
  - Increasing Asset Management service fees, following strong organic growth and market effect;
  - Increasing Asset Management entry fees, resulting from higher production in mutual funds;
  - Continuously increasing fees from Life and Non-life insurance activities through the banking network;
  - Slight decrease in the payment fees, explained by lower ATM fees, partially compensated by higher processing fees (debit cards and credit cards).

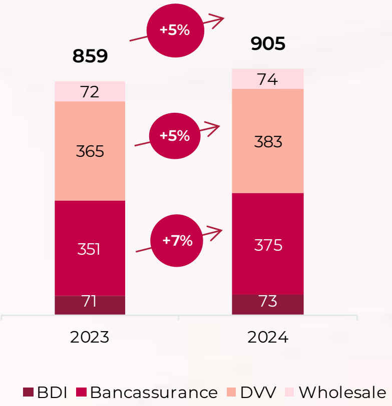
Notes: 1. NIM calculated as the sum of quarterly NII at Belfius Bank (without dividend income) of the last 4 quarters divided by the average of the interest earning assets at Belfius Bank of the last 4 quarters (see also APM document on Belfius' website); 2. Classical Life and Non-life; 3. Including insurance distribution fee from insurance investment products (Branch 21, Branch 23, etc.).

Further GWP growth in Non-life insurance boosted by all channels, combined with increasing Life reserves and strong profitability of Non-Life

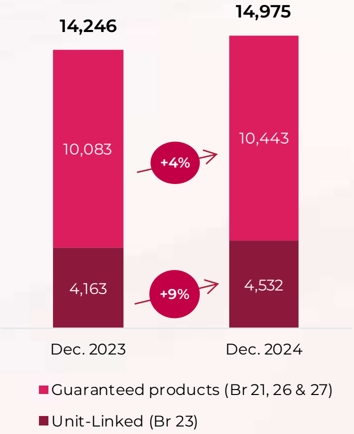
Insurance

Continued growth in Non-life thanks to all distribution channels

Gross written Premiums Non-Life (incl. Health)
EUR m



Life Insurance reserves
EUR m

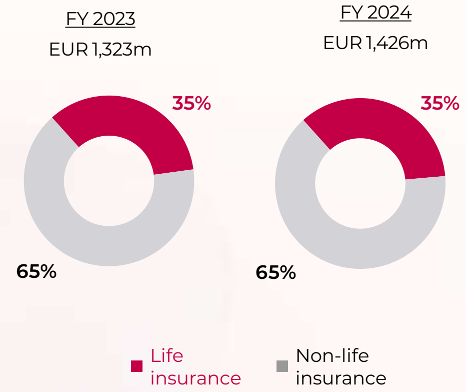


- Overall increasing GWP Non-life (+5%) thanks to Bancassurance (+7%) and DVV (+5%), driven by net new business growth and by premium indexation.
- Benefitting from a higher interest rates environment since 2022, life Insurance reserves continued to grow (+5.1% to EUR 15.0bn, vs. EUR 14.2bn as per end 2023), thanks to strong growth of Life Invest (+10%), and to +4% growth in Life Pension.

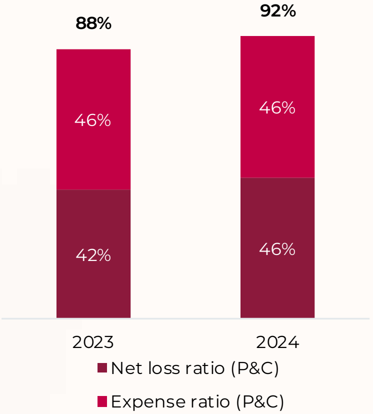
Insurance

Strong increase in Insurance Income, both in Life and Non-life
Still sound NCR in Non-life

Insurance income
EUR m



Net Combined Ratio
in %

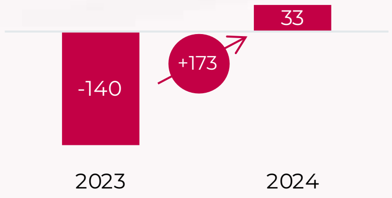


- Higher insurance revenue in Non-Life & Health, and higher financial income overall, led to increasing Life insurance income (EUR 503m in FY 2024 vs EUR 456m in FY 2023) and to growing Non-life & Health insurance income (EUR 923m in FY 2024 vs EUR 866m in FY 2023), in line with steady portfolio growth.
- Growing Non-life P&C net loss ratio in FY 2024 at 46% (vs. 42% in FY 2023), which was impacted by NatCat small events in the first semester of 2024 and by provisions for new indicative tables for bodily injury claims, and stable expense ratio at 46% in FY 2024. NCR still at sound level of 92% per FY 2024 compared to 88% per FY 2023.

Lower bank levies in FY 2024 (as no SRF contribution) and two exceptional 'one-off' gains contributed to positive other income

Other income positive in FY 2024

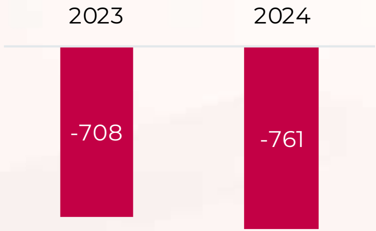
Other income
EUR m



- Other income FY 2024 amounted to EUR +33m, an increase by EUR +173m compared to FY 2023 (EUR -140m), mainly stemming from two exceptional items, respectively the capital gain made by Isabel (EUR +46m) and the capital gain on sold participation Cyclis (EUR +29m), and from lower bank levies in FY 2024, more specifically due to absence of payment to the Single Resolution Fund in 2024.

Higher Insurance Service Expenses adjusted

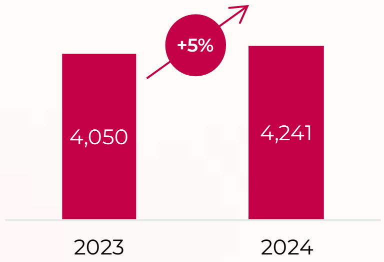
Insurance Service Expenses adjusted[1]
EUR m



- Insurance Service Expenses adjusted amounted to EUR -761m in FY 2024 vs EUR -708m in FY 2023. This increase is driven by Non-Life, a.o. related to more frequent natural catastrophes in 2024 (EUR -7m) at damage level below reinsurance thresholds and to provisions for updated indicatives tables.

Increase in total income in complex and highly competitive context

Total income
EUR m



- Diversified business model enabled to continue to increase Belfius' total revenue base:
  - lower NII bank from 2H 2023 peak level, although still elevated;
  - growing F&C bank, thanks to increasing Asset Management Services and Insurance activities;
  - growth of insurance income[2], driven by both Life and Non-life activities, a.o. thanks to higher financial income and growing activities;
  - positive other income.

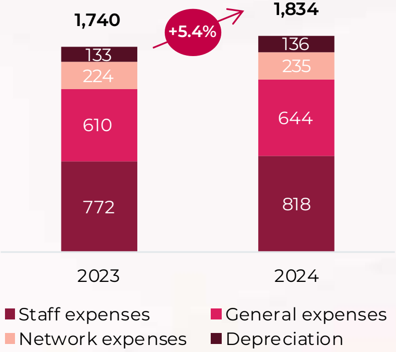
Notes: 1. Insurance Services Expenses Adjusted = Insurance Service Expenses + Net Reinsurance Result – directly attributable costs to insurance contracts; 2. Insurance levies on Br23 products are included in Life insurance income and those on Br21 products are included in ISE adjusted, and not in other income like the bank levies.

Rising income enables ongoing investment in Belfius' commercial growth, while keeping a stable C/I ratio at 43%

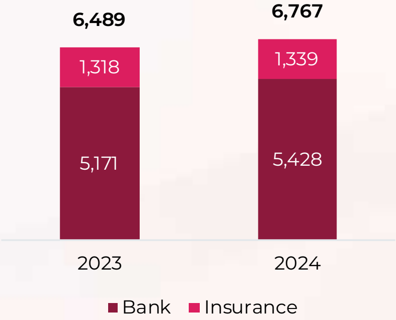
Group

Rising costs from growing workforce and general expenses, wage drift, and increasing technology investments
Strong increase of income allows for stable C/I ratio

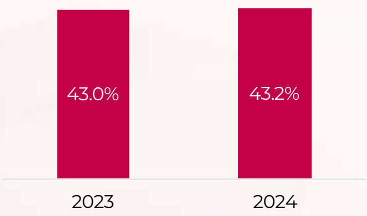
Costs
EUR m



FTE[1]
(#)



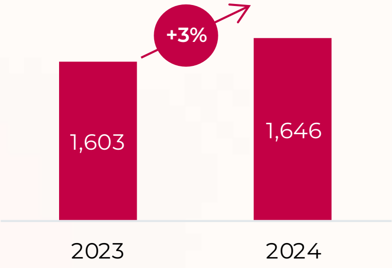
Cost-income ratio
%



Group

All in all, leading to highest ever pre-provision income

Pre-provision income
EUR m



- Total costs increased by +5.4% compared to FY 2023 due to (i) indexation caused wage drift; (ii) increase of workforce and innovation investments to sustain strong commercial growth; and (iii) general expenses. Although total costs increased by +5.4%, C/I ratio remained stable at 43.2% per FY 2024 compared to 43.0% per FY 2023, thanks to larger increase of income.
  - staff expenses increased by EUR +46m compared to FY 2023, due to salary indexations and higher FTE (+278 average FTE YoY);
  - general expenses increased by EUR +34m to EUR 644m, in line with growing commercial activity;
  - network costs increased by EUR +11m, following wage drift and good commercial dynamics, and depreciation costs slightly increased by EUR +3m.

- All in all, the combination of stronger increase in income than in costs and in Insurance Services Expenses adjusted, led to an increase in pre-provision income to EUR 1,646m in FY 2024 (vs EUR 1,603m in FY 2023 or +3%).

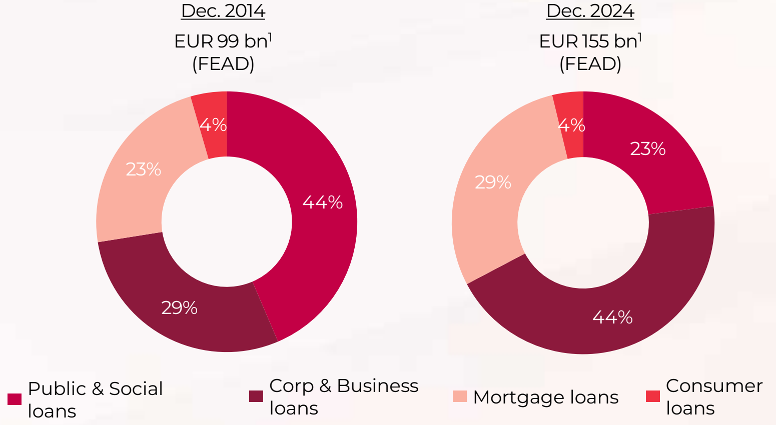
Note: 1. Average active FTE over the period.

Moving back to more normalized through the cycle asset quality ratios

Further diversification of the loan book

Evolution of the loan and commitments portfolio

%

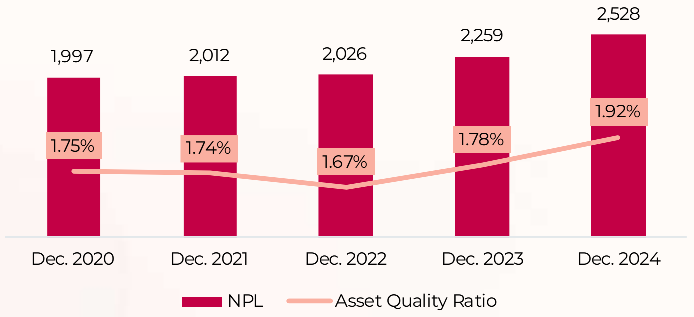


- Belfius keeps focusing on supporting all segments of the Belgian economy. In 2024, corporate lending has been the driver of growth.
- The corporate and business loan portfolio increased from EUR 28.8bn per end 2014 to EUR 68.7bn per end 2024, reaching 44% of the FEAD.
- The mortgage loan portfolio increased from EUR 22.9bn per end 2014 to EUR 44.8 per end of December 2024, reaching 29% of the FEAD.

Asset quality normalizes after years, but remains resilient

Evolution of impaired loans

EUR m



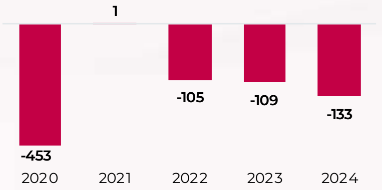
- The asset quality ratio[2] increased to 1.92%, following the default inflow of a limited number of Belgian corporate files, as well as from small and medium sized businesses. Recent larger defaults are mainly situated in the real estate, construction and manufacturing sectors.
- This inflow of defaults is in line with the general trend observed in the Belgian market, where the number of bankruptcies is rising further.
- Despite some deterioration, Belfius maintains a low asset quality ratio reflecting the solid quality and the intrinsic resilience of the loan portfolio.
- Defaulted assets are well covered by provisions and collateral.

Notes: 1. Bank loan portfolio, excluding GC based on Full Exposure at Default; 2. The ratio between impaired loans and advances to customers & credit institutions taking into account the default status of final counterparty and the gross outstanding loans and advances to customers & credit institutions.

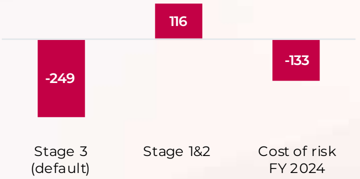
The rise in defaults was adequately managed by anticipative provisions

The cost of risk continues to be contained thanks to an adequate anticipative provisioning.
For the 2024 cost of risk, stage 3 provisioning is to a large extent mitigated by provision reversals in stage 1 & 2.

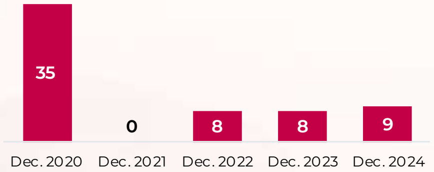
Cost of Risk
EUR m



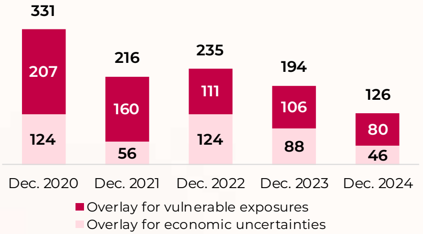
Cost of Risk FY 2024
EUR m



Credit cost ratio[1]
bps



Vulnerable overlays
EUR m



- Under IFRS 9, loan loss provisions are calculated for performing/underperforming assets (stage 1 & 2) and for non-performing assets (stage 3). Provisions on stage 1 & 2 consist basically of mechanical ECL calculations, completed with additional ECL layers that account for elements and risk assessments which have not been taken into account by the mechanical computation, and that are to a certain extent judgmental and based on an expert (forward looking) assessment. This relates for instance to CRE, vulnerable sectors or companies. Belfius aims at covering certain risk pockets in the portfolio. These overall overlays are updated, based upon in-house analysis of sectors and/or client-groups.
- These stage 1 and 2 provisions serve as an anticipative provisioning against expected credit losses on files that enter into default. To what extent these stage 1 & 2 provisions will be transformed into stage 3 provisions, covering realizing credit losses on defaulted loans, or be released, always remains subject to uncertainty. If the macroeconomic environment improves or uncertainties decrease to the extent that the anticipated transitions to default do not occur, part of these impairments can then be reversed over time.
- The cost of risk for 2024 amounts to EUR -133m:
  - the stage 3 component in the cost of risk amounts to EUR -249m, o.w. a few names in the bond portfolio in run-off (Group Center: EUR -74m) in combination with limited number of Belgian corporate files. Next to this, some small and medium sized businesses are contributing to the inflow (commercial activities: EUR -170m; Belfius Insurance: EUR -5m);
  - partly offset by EUR +116m reversals in the stage 1 & 2 component, due to the combined effect of more favorable macroeconomic conditions, the review of the layers for risk pockets, together with portfolio evolutions and transfers to default.

Note: 1. Calculated as the cost of risk divided by the sum of (i) loans and advances due from credit institutions (excl. cash collateral) and from customers measured at amortized costs, (ii) debt securities and equity instruments measured at amortized costs and at FV through OCI (excl. participations and equity), and (iii) guarantees granted.

Zoom on cost of risk: Overlay for economic uncertainties

The release of overlay for economic uncertainties is based on the improvement of macroeconomic forecasts

The macroeconomic forecasts are moderately improving compared to end 2023

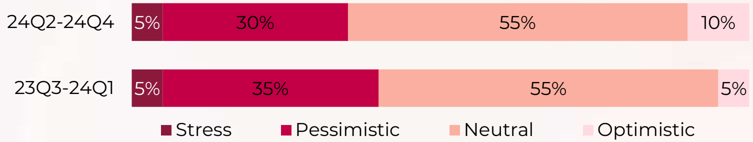
- The EU and Belgian GDP growth remains positive. However, growth prospects have been revised downwards due to the tariffs announced by U.S. President Trump, while U.S. GDP growth has been revised upwards. Inflationary relief reflected in the 2024 CPI data, with a return to normalized levels expected for 2025-2026. The labor market shows a moderate decrease in unemployment figures for both Belgium and Europe.

	As of end 2023			As of 2Q 2024			As of end 2024		
GDP (% y-o-y)	2023	2024	2025	2024	2025	2026	2024	2025	2026
Belgium	1.5	1.2	1.4	1.3	1.4	1.3	1.0	0.9	1.1
Eurozone	0.5	0.9	1.5	0.6	1.2	1.2	0.8	0.7	1.0
United States	2.4	1.1	1.6	2.4	2.0	1.9	2.7	2.7	3.0

	As of end 2023			As of 2Q 2024			As of end 2024		
CPI (% y-o-y)	2023	2024	2025	2024	2025	2026	2024	2025	2026
Belgium	2.6	4.7	2.1	4.0	2.1	2.1	4.3	2.6	2.0

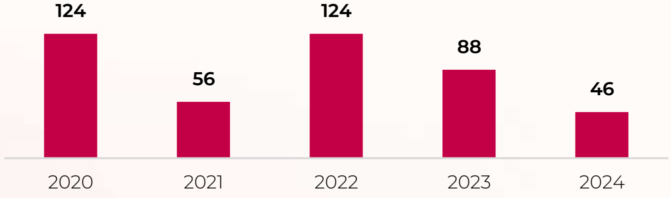
	As of end 2023			As of 2Q 2024			As of end 2024		
Unemployment (%)	2023	2024	2025	2024	2025	2026	2024	2025	2026
Belgium	8.3	8	7.8	7.2	7.1	6.8	7.2	7.1	6.8
Eurozone	8.6	7.2	7	7.5	7.0	6.8	7.5	7.0	6.8

In the weights of the forward-looking scenarios, a 5% shift from the pessimistic to the optimistic scenario is applied, reflecting the reduced probability of a hard recession, as it could be derived from the macroeconomic parameters.



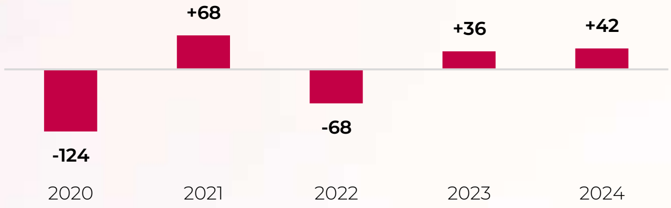
Resulting stock of provision for economic uncertainties

EUR m



Cost of risk relating to economic uncertainties

EUR m

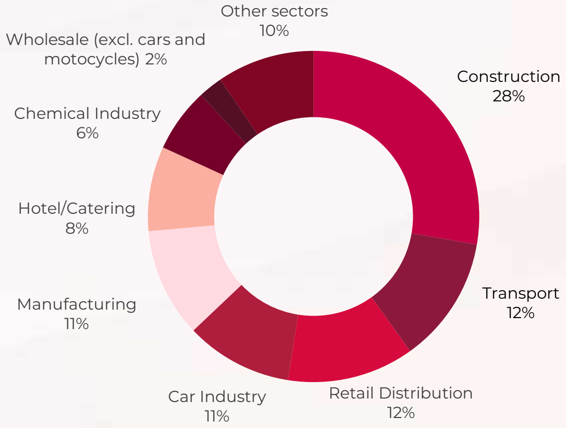


Zoom on cost of risk: Overlay for vulnerable exposures

The release of the overlay is driven by an update of the vulnerable sectors, volumes and credit quality effects

E&E exposures in scope "vulnerable"

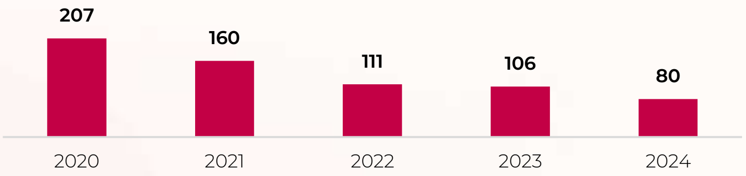
Total of EUR 5.4bn or 2.7% of total portfolio[1]



The overlay for Vulnerable was revised in function of the present economic context. This has led to a focus of the scope to companies in the sectors of construction, automotive & transport and chemicals.

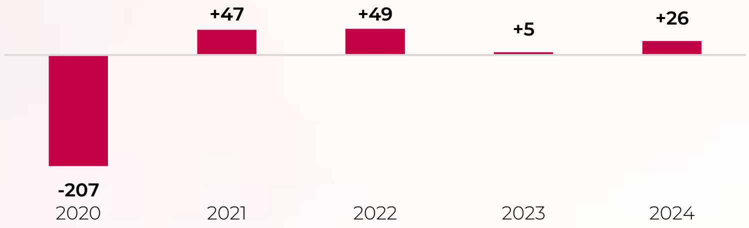
Resulting stock of provision for vulnerable exposures

EUR m



Cost of Risk relating to vulnerable exposures

EUR m

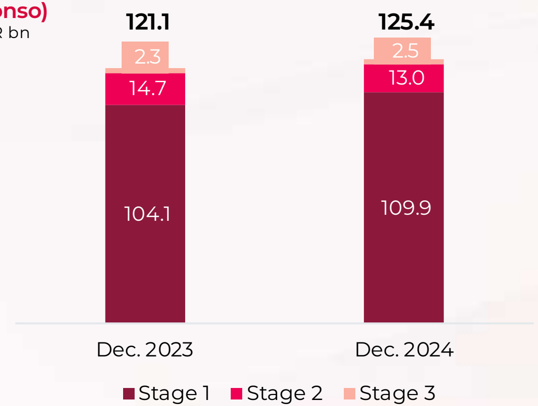


Note: 1. Portfolio refers to total credit risk exposure at bank level, expressed in Full Exposure at Default (EUR 201bn in 2024).

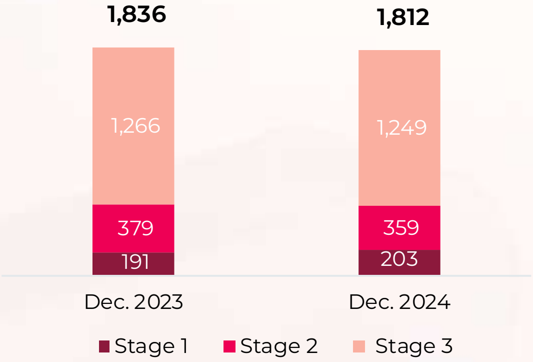
Zoom on cost of risk: Resulting cost of risk metrics FY 2024

Continued resilient asset quality metrics at 31 December 2024

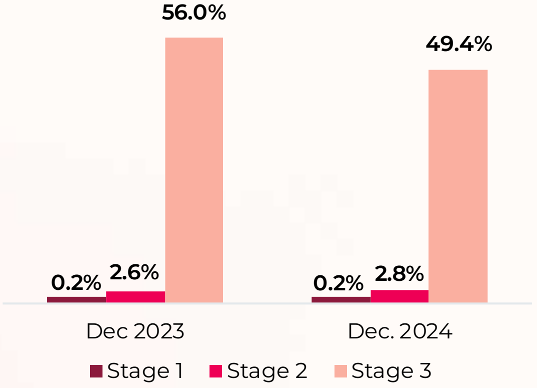
Gross outstanding loans[1] (Conso)
EUR bn



Stock of impairments on loans (Conso)
EUR m



Coverage ratio
%



- The gross outstanding loans increased by +3.6% and amounted to EUR 125.4bn at the end of 2024.
- The IFRS 9 outstanding stock of impairments on loans slightly decreased with EUR 24m to EUR 1,812m as of end December 2024.
- The stock of stage 1 & 2 impairments decreased from EUR 570m end 2023 to EUR 563m at the end of December 2024 with underlying EUR 20m decrease in stage 2 reflecting a.o. the gradual reduction of the overlays, ECL reversals linked to files that shifted to stage 3 and general portfolio evolutions in exposure and rating.
- The stage 3 impairments decreased slightly by 1.3% and amount to EUR 1,249m. The coverage ratio on impaired loans is 49.4%, compared to 56.0% at the end of 2023. The decrease is mainly explained by a number of new defaulted files with strong collateral and recovery perspectives combined with reversals on existing files in default and the write-off of files with a high coverage without recovery expectation.

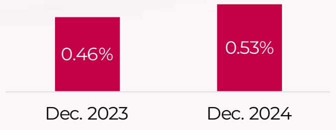
Note: 1. Gross outstanding loans to customers (including stage 3 impaired loans) and loans to credit institutions, whereas previously mentioned total of EUR 118.4bn per 31 December 2024, is excluding stage 3 impaired loans and credit institutions.

Inflow of impaired loans leads to an increase of asset quality ratio

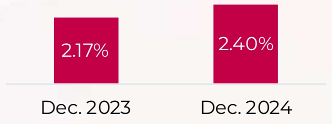
Bank

Asset quality ratio[1] per segment

IND
%



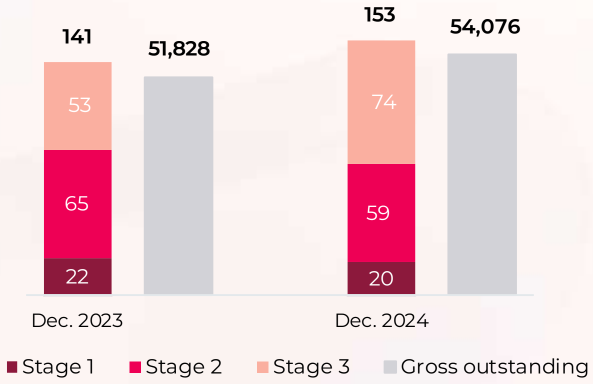
E&E&P
%



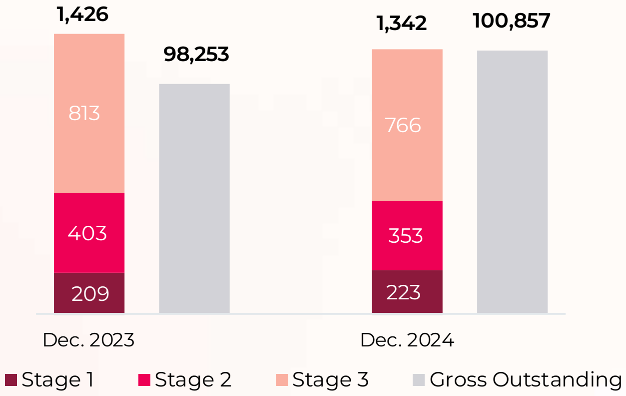
Bank

Impairments[2] and gross outstandings[3] per segment

Loans from Individuals segment (FEAD)
EUR m



Loans from E&E&P segment (FEAD)
EUR m

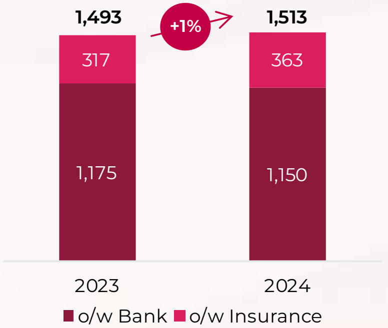


Notes: 1. Asset quality ratio: the ratio between impaired loans and advances to customers & credit institutions taking into account the default status of final counterparty and the gross outstanding loans and advances to customers & credit institutions; 2. Balance sheet and off-balance sheet impairments; 3. FEAD.

Overall, Belfius consistently demonstrates strong profitability, leveraging a diversified business model and sustained commercial expansion, along with prudent risk and financial management

Slight increase of result before tax

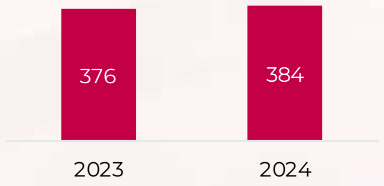
Result before tax
EUR m



- Result before tax amounted to EUR 1,513m in FY 2024, compared to EUR 1,493m in FY 2023, an increase by +1%, thanks to increasing pre-provision income, and despite higher cost of risk.
- Belfius Insurance contributed for 24% in Belfius' consolidated result before tax in FY 2024 (compared to 21% in FY 2023), testimony of our diversified business model.

Effective tax rate in line with last year

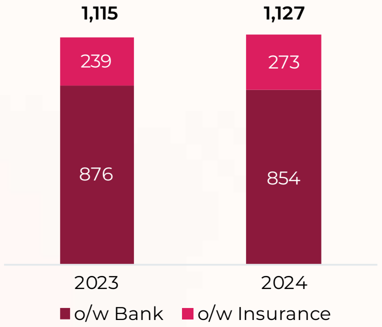
Tax expenses
EUR m



- Tax expenses amounted to EUR 384m in FY 2024 compared to EUR 376m in FY 2023, showing an effective tax rate (25%) in line with the statutory tax rate.
- The higher IFRS taxes in 2024 are mainly the result of a higher consolidated result before tax than in 2023 and the non-deductibility of the NTK[1] since early 2024, whereas 20% of the NTK was deductible in 2023.

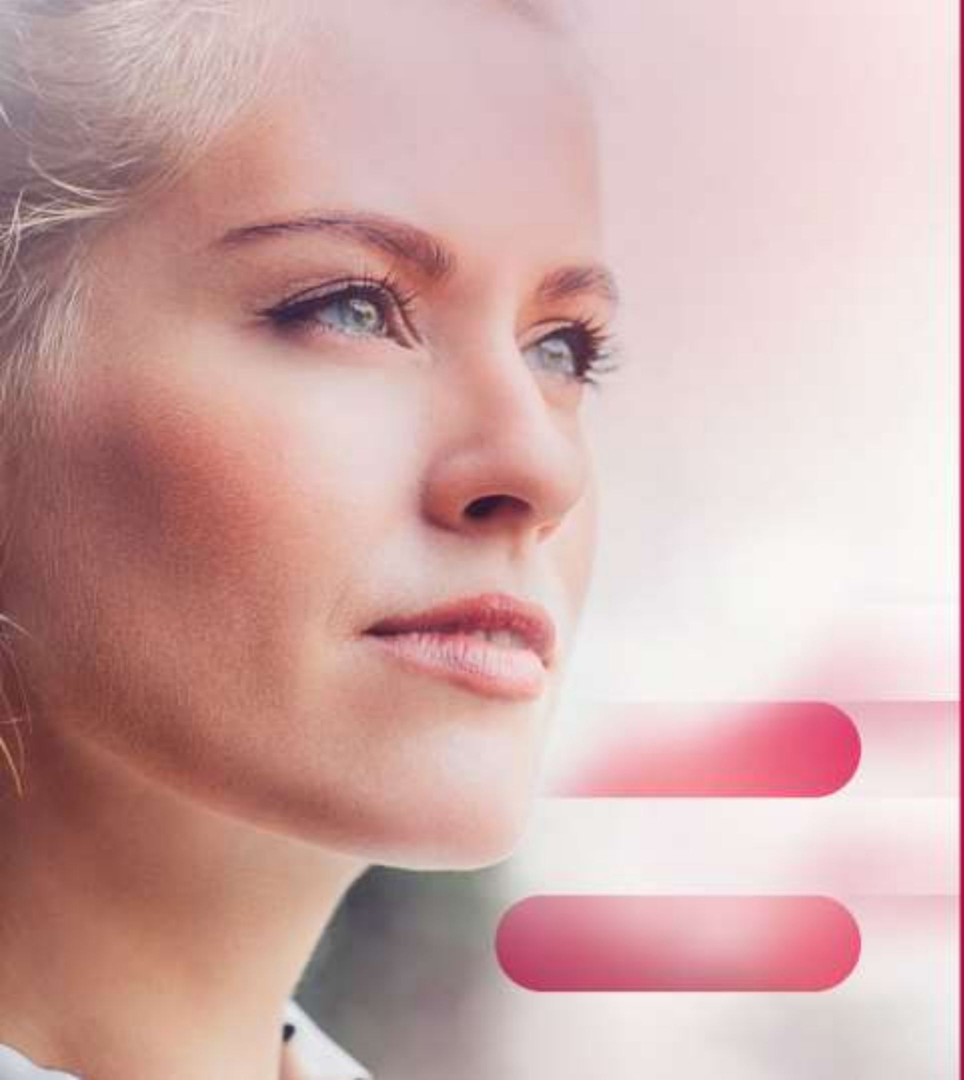
Highest ever consolidated net income

Net income
EUR m



- Belfius realized a consolidated net income of EUR 1,127m in FY 2024, EUR 12m higher than last year (EUR 1,115m in FY 2023), thanks to increased pre-provision income offset by more CoR than in 2023 and higher corporate income taxes (a.o. due to NTK change).
- In FY 2024, Belfius Bank contributed to the consolidated net income by 76%, and Belfius Insurance by 24%.

Note: 1. General tax on banking institutions in Belgium, consisting of 0.13231% on the first tranche of EUR 50bn and of 0.17581% above EUR 50bn, of average liabilities to clients of the preceding year.



2. Segment reporting

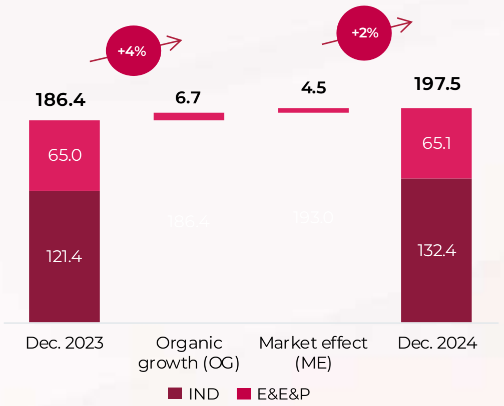
Strong growth in savings and investments confirms the relevance of the Bank for Investors strategy

IND & E&E&P

Savings & investments driven by excellent OG & strong ME in IND

Outstanding savings & investments

EUR bn



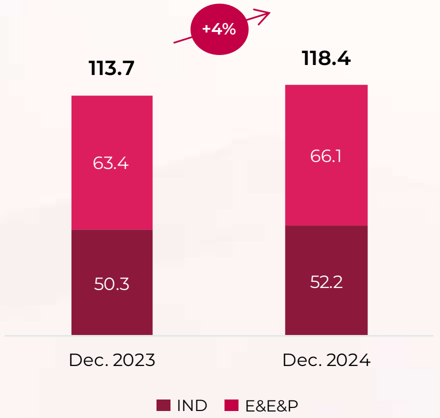
- Total savings & investments amounted to EUR 197.5bn per end 2024, an increase by +6% compared to end 2023:
  - IND displayed an excellent OG of EUR 7.1bn and a solid ME of EUR 3.9bn, a.o. thanks to Private & Wealth;
  - E&E&P's S&I remained stable at EUR 65.1bn, explained by negative organic growth of EUR -0.4bn and slightly positive market effect of EUR 0.5bn.

IND & E&E&P

Outstanding in loans to customers keeps growing in both commercial segments

Outstanding loans to customers

EUR bn



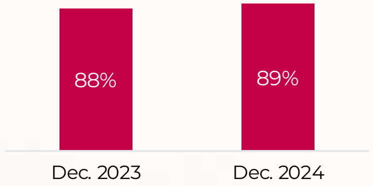
- Oustanding loans amounted to EUR 118.4bn per December 2024, an increase by +4% or EUR +4.7bn compared to end 2023:
  - IND and EEP both displayed a growth of +4% compared to end 2023;
  - Off-balance sheet commitments amounted to EUR 27.5bn per end of December 2024 (compared to EUR 29.0bn per end 2023).

Individuals

Continuous solid bank-insurance cross-sell

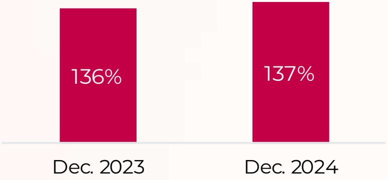
Property insurance

Belfius Home & Family cross-sell (%)



Credit linked life insurance

Belfius Home Credit Protect cross-sell (%)[1]



- Belfius continued to show solid mortgage loans related cross-sell ratios, confirming the strong bank-insurance development.

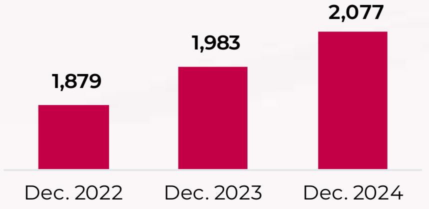
Note: 1. Mortgage-related cross-sell ratios based on contractual data and showing the average insured amount compared to the mortgage.

Diversified and complementary servicing model to support the commercial dynamics

Individuals

Continued steady increase in active mobile users

Active mobile users
(#) x 1,000



Customer equipment rate
(#)

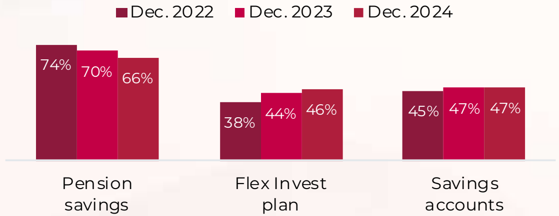
3.2 Products per customer

- Continued strong customer engagement resulting into growing active mobile users (+5% vs. end 2023), with on average 41.0 mobile interactions per active user per month in 2024.
- Average equipment rate of IND customers remained stable at 3.20 (compared to 3.19 end 2023).

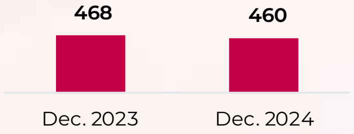
Individuals

Continued customer-led human-digital servicing model

Sales through direct channels[1]
(%)



Bank branches
(#)

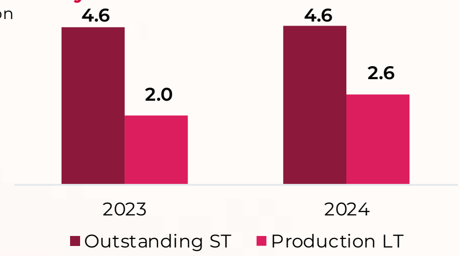


- Belfius continued to benefit from the functionalities of its direct channels. In FY 2024, 66% of the new pension savings contracts, 39% of the new credit cards and 47% of the new savings accounts were subscribed via direct channels.
- Branch network slightly decreases and continues to be rightsized, in synchronization with customer-led interactions.

E&E&P

Growing long term Debt Capital Markets activities

DCM activity
EUR bn



Of which ESG deals
(#)

8 ESG deals for a total of EUR 1.1bn

- E&E&P clients maintained diversified financing profiles through DCM activity: during FY 2024, Belfius has placed a total of EUR 4.6bn short term notes (average outstanding CP) and EUR 2.6bn long term notes for Public and Corporate customers confirming its leadership position in the Belgian DCM market contributing to the objective of capital markets union.
- Belfius also structured and placed 4 capital market transactions within ECM, in close cooperation with its Kepler Cheuvreux strategic partner.

Note: 1. Belfius' direct channels are Belfius Connect, Belfius Mobile (smartphone and tablet) and Belfius Direct Net (computer).

Being active in all segments of the Belgian economy, as an integrated bank-insurer, contributes to the balance between net income & return on equity

Segment P&L

E&E&P segment strongly contributed to Belfius' sound financial results, whereas the IND segment proved to be resilient, which demonstrated the power of diversification between segments and the contribution of our bank-insurance business model, which underlines the strength of Belfius' strategy

A consolidated view per segment

	2023				2024				Evolution YoY
EUR m	IND	E&E&P	GC	Total	IND	E&E&P	GC	Total	%
Income	**2,359**	**1,566**	**125**	**4,050**	**2,445**	**1,762**	**34**	**4,241**	**4.7%**
NII bank	822	1,114	172	2,108	762	1,164	47	1,974	-6.4%
F&C income	632	140	-13	760	670	154	-15	809	6.5%
Insurance income	1,028	294	0	1,323	1,103	323	0	1,426	7.8%
Other income	-123	18	-35	-140	-90	120	2	33	
ISE Adjusted	**-535**	**-172**	**0**	**-708**	**-591**	**-170**	**0**	**-761**	**7.5%**
Costs	**-1,103**	**-560**	**-77**	**-1,740**	**-1,171**	**-576**	**-86**	**-1,834**	**5.4%**
Pre-provision income	**721**	**834**	**47**	**1,603**	**683**	**1,016**	**-52**	**1,646**	**2.7%**
Cost of risk	-12	-72	-25	-109	-20	-106	-7	-133	
Result before tax	**708**	**762**	**22**	**1,493**	**663**	**910**	**-60**	**1,513**	**1.4%**
Taxes	-184	-186	-7	-376	-186	-218	20	-384	
Net income group share	**523**	**577**	**15**	**1,115**	**476**	**692**	**-41**	**1,127**	**1.1%**
RoNRE	**34%**	**10%**	**1%**	**12%**	**28%**	**11%**	**-3%**	**12%**	

- **Net Income IND decreased by EUR -47m or -9% to EUR 476m in FY 2024**, despite a growth by +4% (or EUR +85m) in total income IND thanks to:
  - Excellent insurance contribution IND, which increased by EUR +74m, from both Life (higher recurring financial income and capital gains) and Non-life activities, thanks to portfolio growth;
  - F&C Bank IND (EUR +38m) mainly explained by higher volumes in Asset Management Services;
  - Other Income IND (EUR +33m) also grew mainly thanks to the good performance of financial market activities and to lower bank levies.

  This was offset mainly by the decrease in NII, the increase in ISE adjusted IND (+10%) and in Costs IND (+6%), the latter mainly due to an increase in staff expenses explained by FTE growth and wage drift.
- **Net income E&E&P increased by EUR +115m or +20% to EUR 692m in FY 2024**, thanks to solid increase in total income E&E&P (+13% to EUR 1,762m):
  - Other Income E&E&P increased by EUR +103m to EUR 120m, mainly explained by realized capital gains on participations and lower bank levies;
  - NII E&E&P further increased by +5%, thanks to important growth in credit income and higher deposits margins;
  - Insurance contribution E&E&P grew by +10%, driven by both Life (higher recurring financial income and capital gains) and Non-Life activities, thanks to excellent growth in business combined with finetuning of IFRS 17 treatment.

  This was partially offset mainly by the increase in CoR E&E&P by EUR -34m, due to higher provisions for SME segment, and additional allowances for some specific defaulted Corporate exposures.
- **GC's net income decreased by EUR -56m to EUR -41m in FY 2024**, mainly due to lower interest rate transformation margin, partially offset by lower CoR and positive Other Income, thanks to lower bank levies.

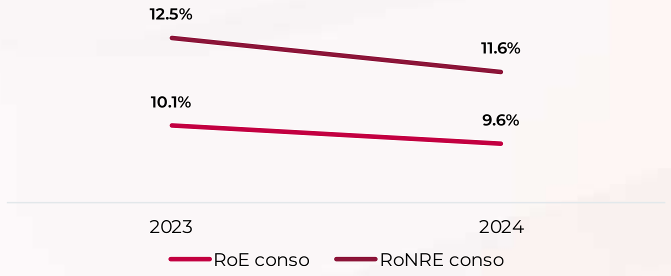
Note: 1. Please note that during FY 2024 a refinement of the segmentation occurred. This may implicate that there are some slight reclassifications compared to the published FY 2023 figures.

Further strengthening of capital requirements for loans leads to slightly lower ROE

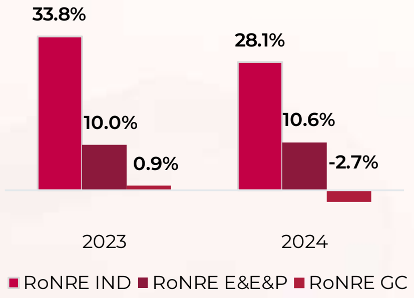
Group

All in all, Belfius' RoE & RoNRE continue to deliver to all stakeholders

RoE[1] & RoNRE[2]
%



RoNRE by segment
%

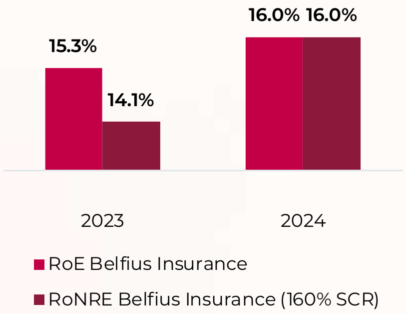


- The strong diversification strategy has materialised in a RoE in FY 2024 that remains in line with target zone, only lower than FY 2023: 4 quarters trailing RoE at 9.6%, against 10.1% in FY 2023. Overall RoNRE remains above the 10% mark, moving to 11.6% in FY 2024.
- For Individuals, the RoNRE stands at 28.1% in FY 2024, compared to 33.8% in FY 2023, for E&E&P the RoNRE stands at 10.6% compared to 10.0% in FY 2023, reflecting the strong contributions from the two commercial segments.

Insurance

Excellent RoE at Insurance level

RoE[1] & RoNRE[3] Belfius Insurance
%



- Increasing RoE at Belfius Insurance towards 16.0% in FY 2024 thanks to excellent net income as a result of strong income growth of the insurance business.

Notes: 1. RoE definition = last 4 quarters Net Income / last 4 quarters core shareholders' equity rolling average; 2. RoNRE definition (13.5% RWA Group) = last 4 quarters Net Income / last 5 quarters RWA*13.5% rolling average; 3. RoNRE Belfius Insurance (SCR*160%) = last 4 quarters Belfius Insurance's Net Income / last 5 quarters SCR *160% rolling average.

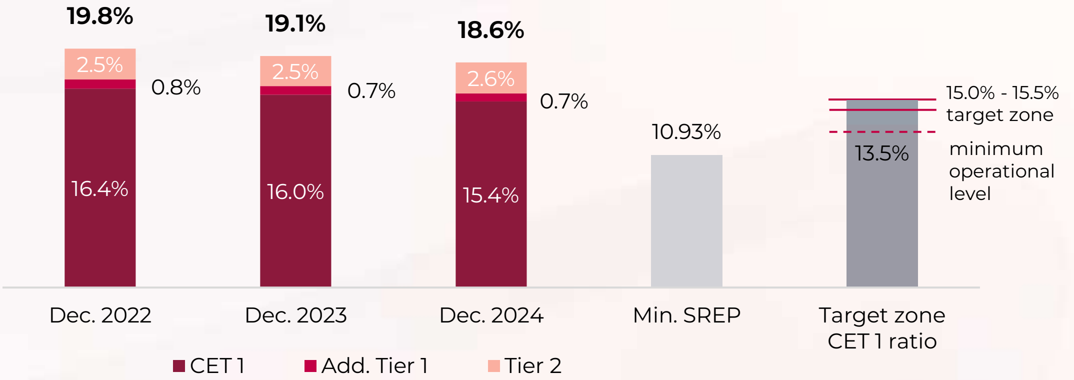
3. Financial solidity

Belfius continues to show solid capital and leverage ratios

Group

CET 1, Tier 1 and Total capital ratio[1]

Capital ratios
%

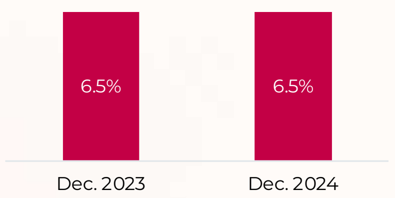


CET 1	10,547	11,087	11,560
Tier 1	11,045	11,584	12,056
CAD	12,676	13,302	13,980
RWA	64,150	69,504	75,094

Group

Leverage ratio[2]

Leverage ratio
%



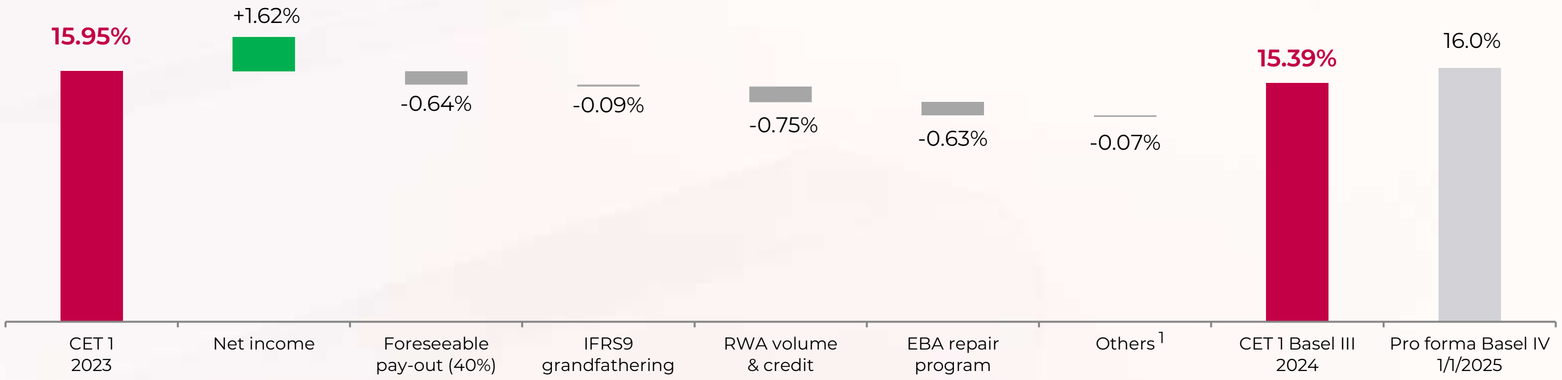
- Leverage ratio stood at 6.5%, in line with end 2023.

Notes: 1. Regulatory ratios at Belfius Bank consolidated level using the Danish compromise. For the determination of the Common Equity Tier 1 capital, the regulatory authority requires Belfius to apply a risk weighting of 370% on the capital instruments held by Belfius Bank in Belfius Insurance after deduction of goodwill; 2. Based on the prudential consolidation perimeter, where Belfius Insurance is considered as an external party (hence not consolidated).

Solid CET 1 ratio is enabling Belfius to continue to support the Belgian economy and to execute its commercial strategy

Group

This solid capital base compares comfortably with Belfius' minimum SREP level and internally defined minimum operational zone



- CET1 ratio of 15.39% as of end December 2024, -56bps compared to 2023.
- The decrease is mainly the result of higher regulatory risk exposures (EUR +5.6bn), from commercial development (growing loans stock) and application of new credit model.
- The minimum SREP of 10.93% has increased compared to 10.10% end 2023, mainly due to: a slight increase of our P2R from 2.14% to 2.16%, the application on new countercyclical buffer on Belgium exposure for ca. +90bps partially offset by a decrease on Sectoral Systemic Risk Buffer by ca. -10bps

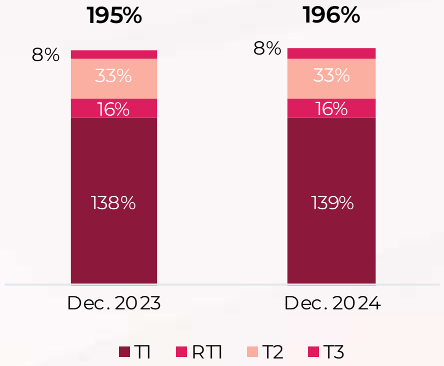
Note: 1. "Others" include the impact from RWA MRM & CVA, RWA not directly linked to the growth of the loan book, AVA, IAS19, Software, etc.

Belfius Insurance continues to display solid solvency metrics

Insurance

Strong solvency levels

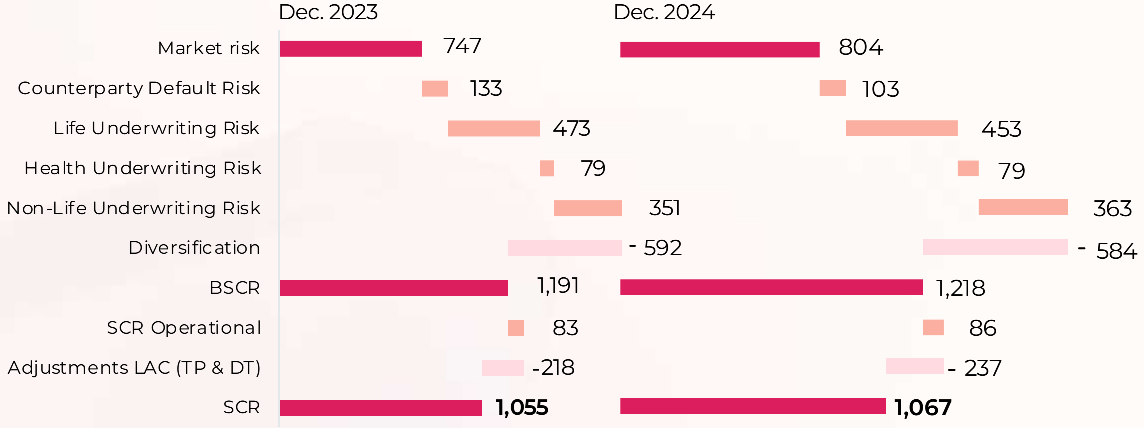
Available Financial Resources (AFR) and Solvency ratios
%



Insurance

Breakdown of Solvency Capital Requirement

Solvency Capital Requirement (SCR)
EUR m



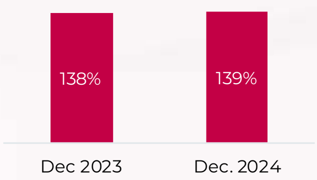
- The regulatory own funds (or 'Available Financial Resources') of Belfius Insurance amounted to EUR 2,090m at the end of FY 2024. Compared to end 2023 (EUR 2,061m), the regulatory own funds of Belfius Insurance increased with EUR 29m, net of a foreseeable dividend for FY24 of EUR 136m. At year-end, interest rates were lower than the previous year; however, the credit spread increased. Ultimately, this had a positive impact on the assets, which was nearly fully offset by an increase in best estimate liabilities and the foreseeable dividend.
- The required capital amounted to EUR 1,067m at the end of FY 2024, which is EUR +12m higher compared to end 2023 (EUR 1,055m), mainly due to the increased credit spread (market risk) and the portfolio growth of Non-life.

Belfius Bank continues to display strong liquidity stance

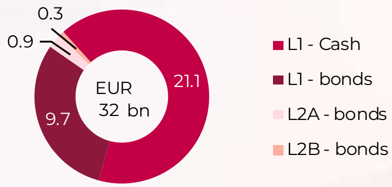
Bank

Liquidity levels remained high with solid LCR and NSFR ratios, combined with historically low asset encumbrance ratios
Total HQLA buffer increased to EUR 32bn

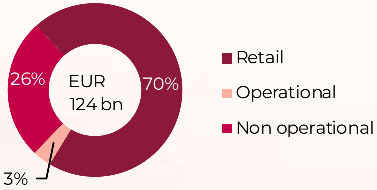
LCR[1]
%



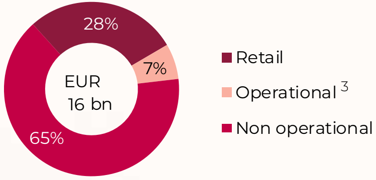
High Quality Liquid Assets
EUR bn, per 31 December 2024 (EOP)



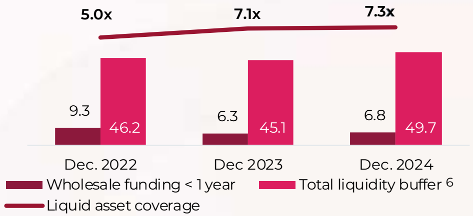
Stable commercial funding[2] profile
EUR bn, per 31 December 2024 (EOP)



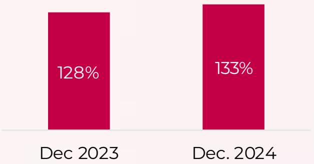
Commercial outflows in LCR
EUR bn, per 31 December 2024 (EOP)



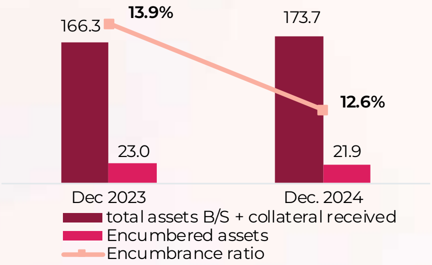
Strong refinancing need coverage
EUR bn



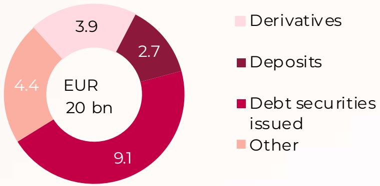
NSFR[4]
%



Encumbered assets
EUR bn, median values[5]



Encumbered assets
EUR bn, per 31 December 2024 (EOP)



Notes: 1. Calculation based on 12 months average. The Liquidity Coverage Ratio (LCR) refers to the regulatory ratio between the stock of high quality liquid assets and the total net cash outflow over the next month under stress. Pro forma Dec. 2023 due to refinement; 2. Commercial funding consisting of non maturing deposits, term accounts, savings certificates and BFC notes; 3. According to article 27 of the LCR regulation, 'operational' is defined as wholesale deposits maintained in order to obtain clearing, custody, cash management or other comparable services, with the exception of deposits arising out of a correspondent banking relationship or from the provision of prime brokerage services, which are considered as non operational deposits; 4. The Net Stable Funding Ratio (NSFR) refers to the regulatory ratio between the available amount of stable funding and the required amount of stable funding; 5. Based on median values as required by the EBA; 6. Total liquidity buffer: Cash at central bank, plus cash that could be obtained by pledging liquid bonds, retained bonds and bank loans.

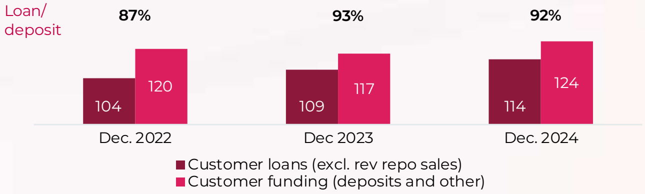
Belfius Bank has a resilient funding base, driven by significant contribution from our customers

Bank

Balanced Loan to Deposit ratio

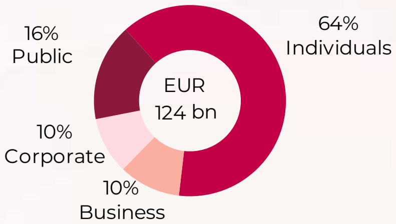
Loan to Deposit

EUR bn



Stable & diversified commercial deposit base

%



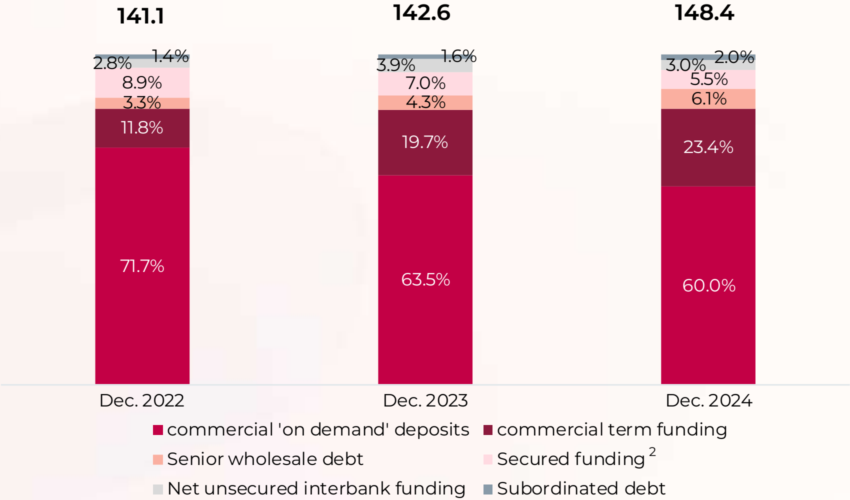
- Of which EUR 57.2bn insured deposits (under deposit guarantee scheme)

Bank

Funding sources[1]

Funding sources

EUR bn or %



Notes: 1. Belfius Bank only; 2. Secured funding includes Covered Bonds (5%), and other longer term secured funding. In March 2024, the last part of TLTRO was reimbursed.

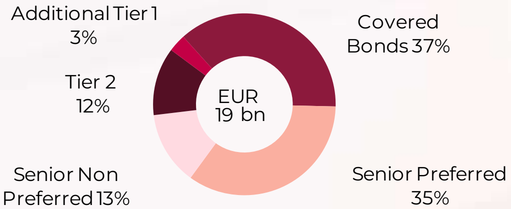
Belfius continues to execute its diversified funding strategy

Group

MLT wholesale funding[1] strategy

MLT wholesale funding

As of 31 December 2024

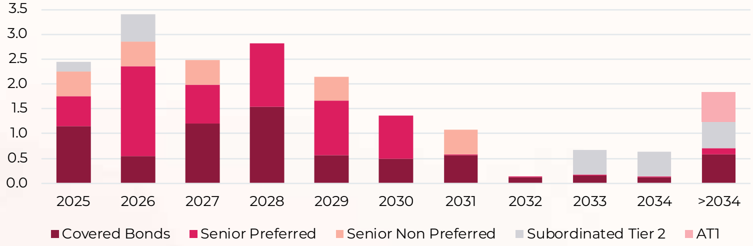


Group

Redemption profile MLT wholesale funding per 31 December 2024

Redemption profile

EUR bn



- During 2024 Belfius Bank attracted over EUR 5bn wholesale funding through the issuance of benchmarks and private placements of covered bonds (EUR 0.8bn), preferred senior unsecured (EUR 2.5bn), non-preferred senior unsecured (EUR 1.0bn), AT1 (EUR 0.5bn), and Tier 2 (EUR 0.6bn).

EUR 500m senior non preferred	EUR 500m mortgage covered bond	EUR 500m Tier 2	EUR 750m green senior preferred	EUR 750m FRN senior preferred	EUR 500m AT 1	EUR 500m senior non preferred
5 year	7 year	11.25NC6.25	6 year	3 year	perpetual	6.25 year
3.750%	2.875%	4.875%	3.625%	EUR3M +50bps	6.125% Resettable Callable	3.375%
January 24	February 24	March 24	June 24	Sept. 24	October 24	Nov. 24

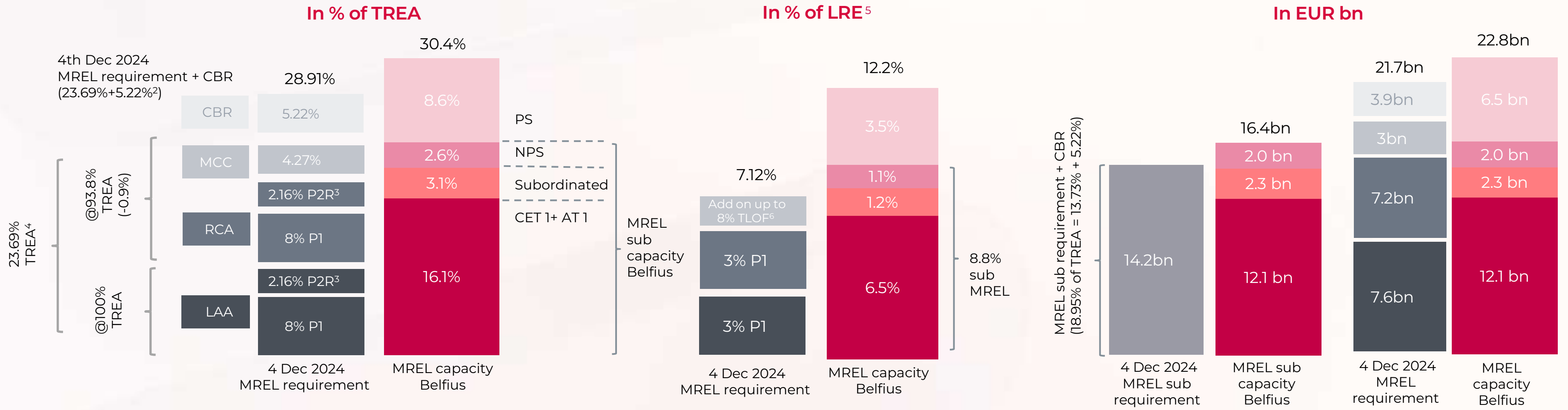
- Over the coming 3 years, around EUR 8.3bn of MLT wholesale funding comes to maturity.
- With the end of the TLTRO, and in current regulatory and interest rate environment, wholesale issuances are focused on MREL compliance and liquidity management.
  - In 2024, 7 benchmark transactions have been issued in the wholesale market, and Belfius was also active in private placements.
  - In 2025, Belfius launched already a EUR 500m 6 year Senior Preferred benchmark with a coupon of 3.125%.

Note: 1. Wholesale funding of EUR 19.0bn, representing 13% of total funding of EUR 148.4bn as illustrated on previous slide, i.e. 4.8% covered bonds + 6.1% senior wholesale debt + 2.0% subordinated debt.

Belfius comfortably meets its new MREL requirements from 4 December 2024 onwards

Group

SRB methodology and formal requirement compared to Belfius' compliance[1]



- On 4 December 2024, the NBB notified Belfius that going forward it has to execute the SRB MREL instruction regarding the minimum requirement own funds and eligible liabilities at the consolidated level of Belfius Bank under BRRD2. For Belfius Bank, the MREL requirement on a consolidated basis is set at 23.69% of Total Risk Exposure Amount (TREA) and 7.12% of Leverage Ratio Exposure (LRE). Belfius Bank must meet both targets no later than 4 December 2024.
- The SRB MREL instruction also defines a subordination requirement: Belfius Bank must meet at least 13.73% of TREA and 7.12% of LRE by means of subordinated MREL. Own funds used to meet the combined buffer requirement (CBR) set out in Directive 2013/36/EU (at 5.22% of TREA for Belfius currently) are not eligible to meet the requirements expressed in TREA. Belfius Bank must comply with this subordination requirement from 4 December 2024 onwards. Belfius meets its new MREL requirements end 2024. Indeed, expressed in TREA, Belfius MREL realised of EUR 22.8 billion amounts 30.4% to be compared with 28.91% of the binding target (including CBR).
- In the same way, Belfius MREL subordination of EUR 16.4 billion amounts 21.8% of TREA to be compared with 18.95% of the binding target (including CBR). Expressed in LRE, Belfius MREL subordination of 8.8% stands in excess of 7.12% MREL requirement.

Notes:. 1. All below ratios include CBR. 2. When using 2H 2024 CBR. 3. P2R after SREP 2024; 4. Total Risk Exposure Amount. 5. Leverage Ratio Exposure measure. 6. Total Liabilities and Own Funds: based on regulatory scope with prudential netting of derivatives exposure.

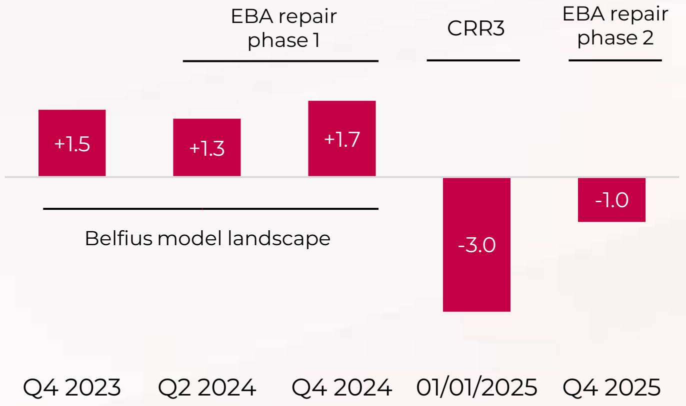
Focus on impact EBA repair program and CRR3

Group

Focus on impact of the model landscape, credit models review and CRR3

RWA impact from CRR3 and model changes (additive)

EUR bn



- The CRR3 impact presented here reflects the implementation as currently estimated on 24Q4. Customary disclaimers apply.
- Note also that under these assumptions and taking into account the proposed transitional arrangements, the output floor should not have an impact for Belfius in the first years of Basel III finalization implementation.

Simplification of Belfius model landscape & EBA repair program

- Belfius has started a journey towards a simplification of its model landscape with portfolios moving to less sophisticated approaches for RWA calculation (Standardized and Foundation approach). This concerns a.o. the project finance, the banks and the public sector exposures. This change, while increasing significantly RWA on some segments such as local authorities, make them immune, to a large extent, from CRR3 new requirements.
- Belfius is reviewing its credit models to align with the EBA guidelines, in particular:
  - Aligning with the new harmonized definition of default;
  - Sophisticating its calculation of downturn LGDs;
  - Improving the framework for the margin of conservatism in the models.
- These changes have been progressively introduced in our RWA calculation process over 2023-24 (phase 1, mainly on non-retail exposures) and will be finalized in 2025-26 (phase 2, on retail exposures and further updates on non-retail exposure).

CRR 3 impact estimated around 60-70 bps on the CET 1 ratio leading to a 1.1.2025 pro forma CET 1 ratio above 16.0%

4. Appendices

Zoom on credit ratings

Bank

Ratings of Belfius Bank as per 27 February 2025

	Moody's	S&P	Fitch
Preferred Senior	A1 Stable outlook	A Stable outlook	A- Stable outlook
Standalone Rating	a3	a-	a-
Non-Preferred Senior	A3	BBB+	
Tier 2	Baa1	BBB	
Additional Tier 1	Baa3	BB+	

- Between 1 January and 27 February 2025, the rating agencies took the following decisions:
  - On 30 October 2024, S&P affirmed Belfius Bank's long-term rating at A with Stable outlook.
  - On 28 June 2024, Moody's affirmed Belfius Bank's long-term rating at A1, and upgraded Belfius Bank's Standalone Rating (Baseline Credit Assessment or BCA under Moody's terminology) from baa1 to a3. The latter also resulted in an upgrade of the Non-Preferred Senior, the Tier 2 and the Additional Tier 1 rating with one notch. The outlook was subsequently changed to Stable from Positive;
  - On 27 June 2024, Fitch affirmed Belfius Bank's long-term rating at A- with Stable outlook.

Insurance

Ratings of Belfius Insurance as per 27 February 2025

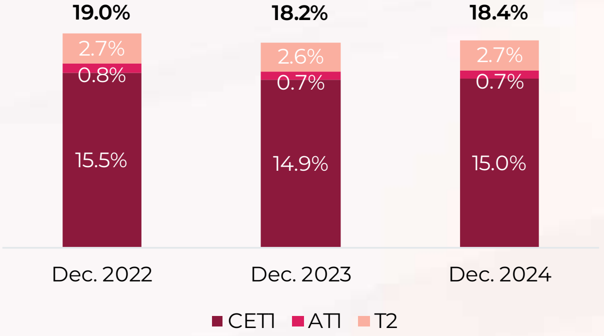
	S&P
Issuer credit rating	A Stable outlook

- No rating action has occurred in 2024; S&P maintained the long term issuer credit rating of Belfius Insurance of A, with Stable outlook.

Focus on solo capital ratios

Bank

Basel III ratios Belfius Bank Solo[1], excluding result of the year

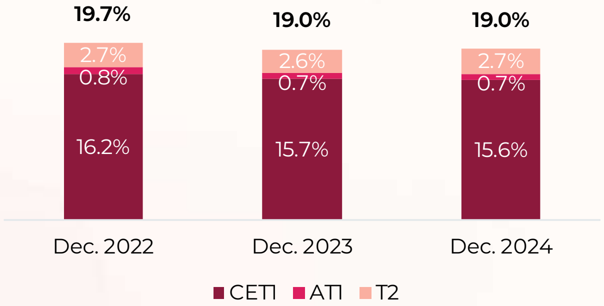


EURm

CET 1	9,731	10,048	10,538
Tier 1	10,228	10,545	11,035
CAD	11,914	12,302	12,968
RWA	62,829	67,559	70,443

Bank

Basel III ratios Belfius Bank Solo[1], including result of the year



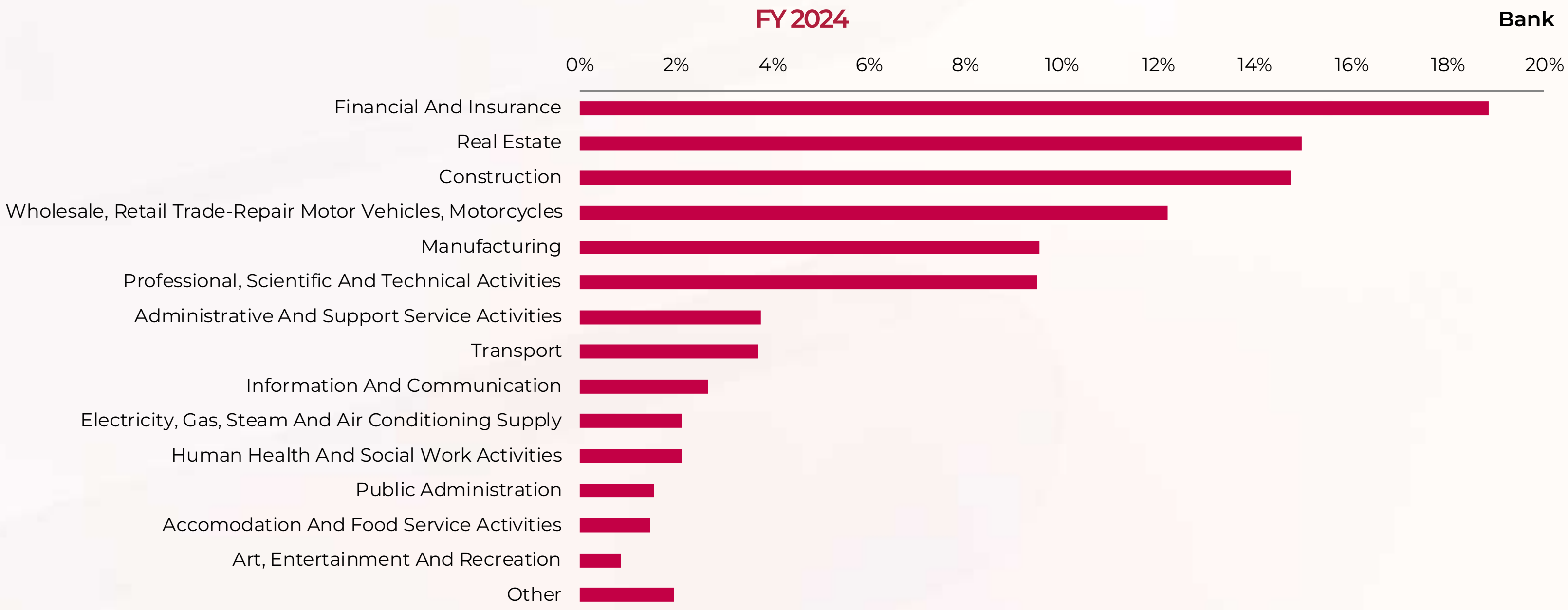
EURm

CET 1	10,179	10,577	10,971
Tier 1	10,676	11,074	11,468
CAD	12,362	12,831	13,402
RWA	62,829	67,559	70,443

- At the end of 2024, the available distributable items on statutory level amounted to EUR 6,048m, compared to EUR 5,692m per end 2023.

Note: 1. Prudential scope where Belfius Insurance is considered as an external party (hence not consolidated).

Sector composition of the business and corporate banking loan portfolios[1]



Note: 1. Expressed in FEAD from the E&E portfolio (EUR 65bn in FY 2024).

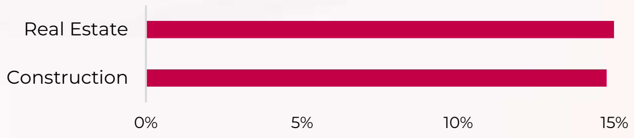
Real Estate and Construction

Bank E&E portfolio, exposures expressed in FEAD, based on the Nace classification

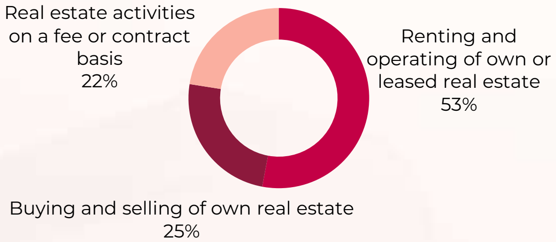
Sectors Real Estate and Construction represent 29% of the E&E portfolio. The commercial real estate sector is struggling to recover structurally from the crisis it is going through. The key risk indicators of the Belfius commercial real estate portfolio, that are monitored on a permanent basis, continue to demonstrate the fundamental credit quality and the solid character of the portfolio, although certain evolutions (rise of watchlist volumes and NPL) call for a close watch. In view of these evolutions, Belfius applies an increased scrutiny and a close monitoring of the customers' liquidity position and refinancing risk. Furthermore, the credit acceptance guidance was sharpened. Belfius has also taken both specific and anticipative general provisions to cover for adverse risk evolutions in commercial real estate and it is quarterly assessing the adequacy of these provisions.

Share in the business and corporate banking portfolio

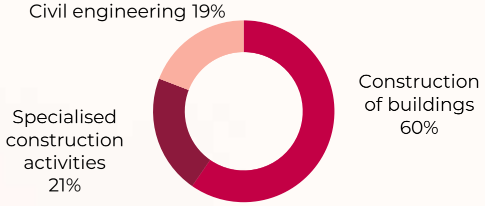
in %



Real Estate

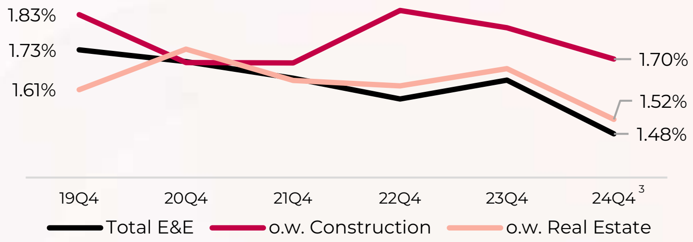


Construction



Quality of the (sub)portfolios: average PD

in %



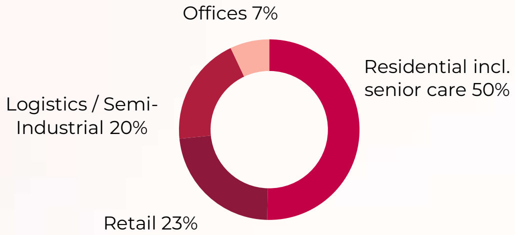
Non Performing Loans Ratio[1]

2.52% Construction

2.69% Real Estate

2.62% E&E

Exposure on SIR/GVV[2]: EUR 2,112m



Notes: 1. Based on total exposures (on and off balance) at 31.12.2024; 2. Regulated real estate investment companies (Sociétés Immobilières Réglementées/Gereglementeerde vastgoedvennootschappen), of which EUR 30m with Nace code other than Real Estate or Construction; 3. Methodological note : the Probability of Defaults (PDs) for Q4 2024, presented in this report, are not unequivocally comparable to those from earlier periods, due to the implementation of the Non-retail Models, as part of the execution of the EBA Credit Model Repair Program. In this context, Belfius has also opted, for non-regulatory reporting purposes, to use PD levels with removal of the margin of conservatism.

Focus on cost of risk & regulatory risk exposures

Group

A consolidated view per segment on the cost of risk of Belfius Group

	2023				2024			
EUR m	Stage 1	Stage 2	Stage 3	CoR	Stage 1	Stage 2	Stage 3	CoR
INDIVIDUALS	1.7	-0.6	-12.7	-11.6	2.5	6.4	-27.7	-18.9
E&E&P	-14.6	53.9	-110.7	-71.4	-13.2	50.2	-142.4	-105.4
GC	0.6	-30.1	4.8	-24.8	-0.2	66.7	-74.2	-7.7
BANK	**-12.3**	**23.2**	**-118.7**	**-107.8**	**-10.8**	**123.2**	**-244.3**	**-131.9**
INSURANCE	**-0.5**	**-1.8**	**0.8**	**-1.4**	**0.6**	**3.0**	**-5.0**	**-1.3**
BANK + INSURANCE	**-12.8**	**21.4**	**-117.9**	**-109.2**	**-10.2**	**126.2**	**-249.3**	**-133.3**

Group

Regulatory risks exposures - by type of risk

EUR m	Dec 2023	Dec. 2024
Regulatory credit risk exposure	52,793	60,133
Regulatory CVA exposure	406	300
Regulatory market risk exposure	2,369	1,639
Regulatory operational risk exposure	4,015	4,340
Danish Compromise	8,422	8,683
Additional risk exposure (Art 3 CRR)	1,498	-
Total Regulatory Risks Exposures	**69,504**	**75,094**

- The risk exposure amount for credit risk amount including counterparty credit risk increased by EUR 7.3bn to EUR 60.1bn. The evolution is mostly explained by:
  - the commercial growth in Franchise activities, mostly driven by the corporate segment (EUR +3.2bn)
  - the impact of Belfius model landscape review and implementation of the new non retail models (EUR +3bn)
  - group center evolution benefitting from market parameters evolution (UK real rate) and exposures rebalancing (EUR -0.3bn).

UK exposures in the Legacy portfolio

Group

Legacy exposures show some concentration on UK utilities and hospitals. A new 5Y regulatory period and associated framework for the UK Water sector will enter into force in April 2025, providing clarity on the next 5-year period.

EUR m as of 31/12/2024

Sector	Non-inflated Notional	EAD	o/w guaranteed by Assured Guaranty	o/w guaranteed by other monoliners	Total RWA
UK WATER	1,383	2,605	1,945	89	923
UK GAS	679	959	786	0	379
UK HOSPITALS	265	426	197	229	350
	2,327	**3,990**	**2,928**	**318**	**1,652**

- Belfius Bank has an exposure of EUR 4.0bn on UK water, gas and hospitals as of end 2024. 73% of these exposures are guaranteed by Assured Guaranty (rated A1 and AA respectively by Moody's and S&P). RWA amounted to EUR 1.7bn while credit risk provisions have been put aside for a total amount of EUR 121m.
- A new 5Y regulatory period and associated framework for the UK Water sector will enter into force in April 2025. This period will be characterized by significant investment needs for the sector to improve operating performance, while keeping gearing under control and limiting bill increases for the customers. Financial determinations (FD's) have been published end December 2024 and can be considered manageable for the sector, although they put additional stress on certain companies already under operational and financial strain due to financial incentives linked to operational performance. Some companies have appealed for a referral of their FD's to the Competition and Markets Authority, for which a decision is expected by year-end.

Reminder – summary overview of Belfius' Group Center

Group center

Belfius' Group Center (notional amounts as of 31 December 2024)

Bond portfolio		Derivatives and guarantees	Other GC activities
ALM liquidity	**Run-off ALM Yield**	**Run-off portfolio**	
▪ LCR eligible bonds (EUR 9.1bn)	▪ Non-LCR eligible bonds (EUR 2.8bn) ▪ Bought credit protection for some ALM yield bonds	▪ Collateralized derivatives with Dexia entities, intermediated and hedged with Financial Markets (notional of EUR 4.4bn) ▪ Non-collateralized derivatives with international counterparts (notional of EUR 1.5bn) ▪ Credit guarantees: protection given, partly reinsured with monolines (notional of EUR 1.9bn)	▪ Management of specific credit risk files (Holding Communal & Arco entities) ▪ Various other items: ▪ ALM derivatives for B/S management ▪ Financial markets services (part which is not dedicated to the commercial segments) ▪ Central assets ▪ Insurance GC ▪ Other
Considerations			
▪ Part of Belfius Bank's total LCR liquidity buffer ▪ Well diversified, high credit quality and highly liquid portfolio	▪ Bond portfolio historically used to manage excess liquidity ▪ Mainly high-quality bonds of international issuers with a ~21 years residual duration ▪ Managed in natural run-off and standard credit risk management	▪ Originates from former competence center for derivatives within the Dexia Group ▪ Derivatives and credit guarantees managed in natural run-off and standard risk management	

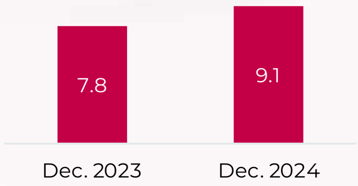
Run-off portfolios

Evolution of GC portfolios

Group center

ALM Liquidity

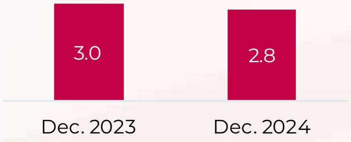
ALM Liquidity bond portfolio Notional value
EUR bn



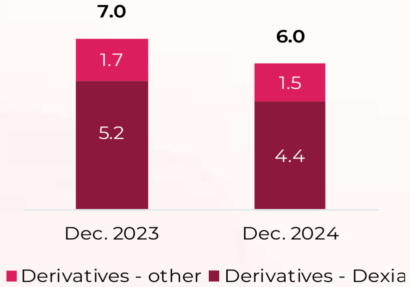
Group center

Run-off portfolio

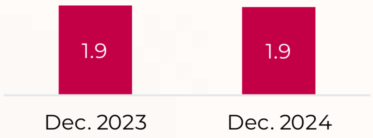
ALM Yield bond portfolio Notional value
EUR bn



IR Derivatives Notional value
EUR bn



Credit guarantees Notional value
EUR bn



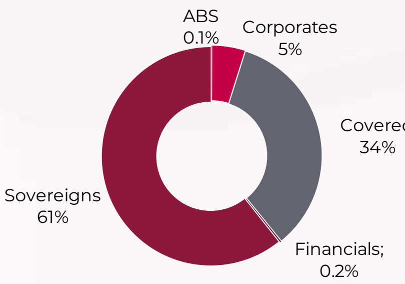
	ALM Liquidity Dec. 2023	ALM Liquidity Dec. 2024	ALM Yield Dec. 2023	ALM Yield Dec. 2024	IR Derivatives Dec. 2023	IR Derivatives Dec. 2024	Credit guarantees Dec. 2023	Credit guarantees Dec. 2024
Average Rating[1]	A	A	A-	BBB+[2,3]	BBB+	BBB+	A	A
Expected average life (years)[1]	7.0	6.5	21.9	21.4	10.2	9.3	9.0	8.5
Investment Grade (%)	100%	100%	94%	92%	96%	95%	97%	97%
Credit regulatory risk exposures (EUR bn)	2.1	0.7	2.7	2.1	0.4	0.2	1.1	1.0

Notes: 1. As from 1H 2024, average rating and expected average life are based on EAD instead of notional value (in line with method already used before for IR Derivatives) with recalculation of end 2023 statistics; 2. Includes rating impact from bought credit protection for some ALM yield bonds; 3. One notch decrease of average rating is linked to a downgrade of a few positions within the portfolio.

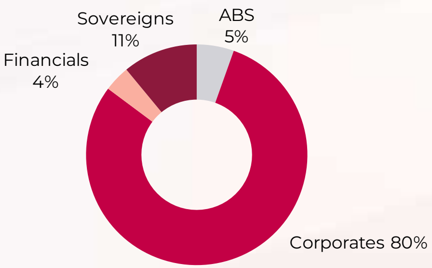
Evolution of portfolios: breakdown by counterparty and by rating

Breakdown by type of counterparty (based on notional value)

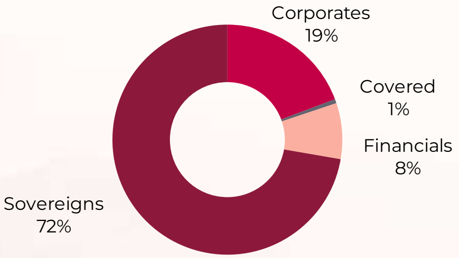
ALM Liquidity bond portfolio



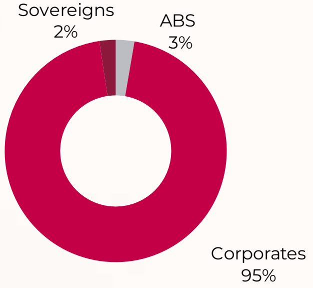
ALM Yield bond portfolio



ALM Insurance bond portfolio

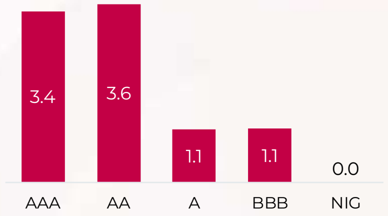


Credit guarantees

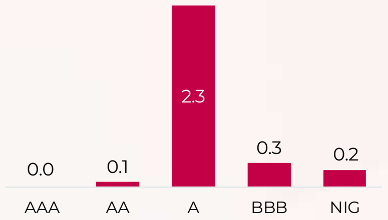


Breakdown by rating (based on notional value)

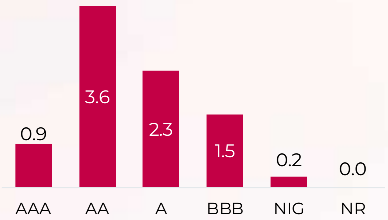
ALM Liquidity bond portfolio



ALM Yield bond portfolio



ALM Insurance bond portfolio



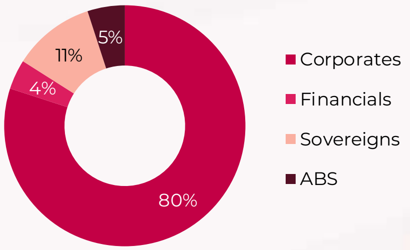
Credit guarantees

Note: NIG – Non Investment Grade.

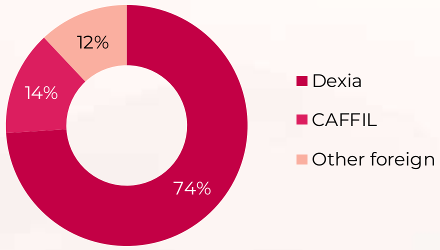
Group Center's run-off portfolios

Run-off portfolios as of 31 December 2024

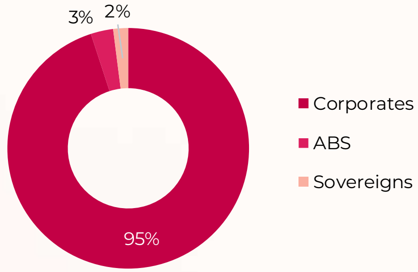
ALM Yield bond portfolio
Notional split by type



Derivatives
Notional split by counterparty



Credit guarantees
Notional split by type of underlying



- About half are inflation linked bonds issued by UK utilities and infrastructure companies, two of which (Thames Water and Southern Water) have deteriorated to non-investment grade level.
- Part of the portfolio is insured by Assured Guaranty, leading to a BBB+ average rating after credit enhancement.
- Inflation component hedged with inflation linked collateralised swaps.

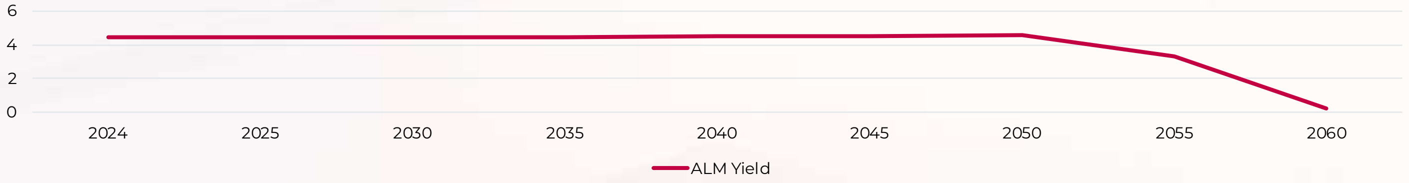
- Derivatives with other foreign counterparties and with CAFFIL are uncollateralised (BBB+ average rating).
- 74% notional exposure to Dexia, fully cash collateralised, leading to an EaD of EUR 10m.

- Financial Guarantees and CDS whereby
  - Sold protection to market counterparties with two-sided collateral posting agreement;
  - nearly all with bought equivalent protection with monoline insurers (about half from Assured Guaranty) with one-sided collateral posting agreement

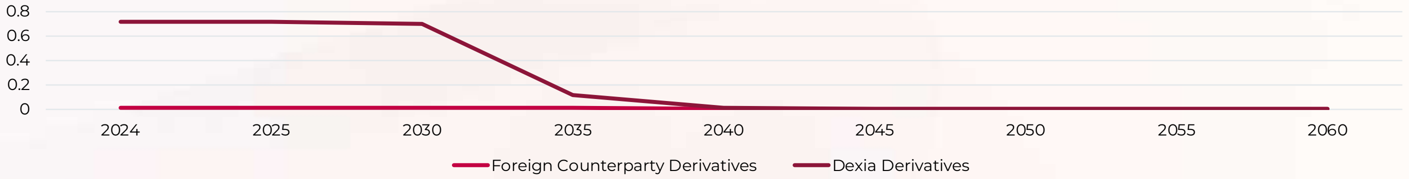
Progressive run-off of GC run-off portfolios in the coming years[1]

Run-off portfolios estimated evolution – EaD

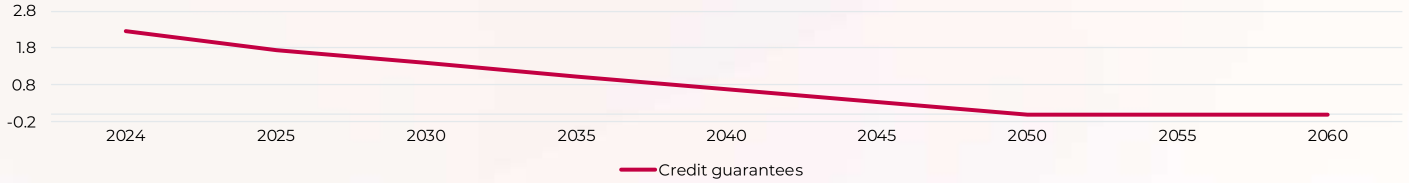
ALM Yield bond portfolio[2]
EUR bn



Derivatives
EUR bn



Credit guarantees
EUR bn



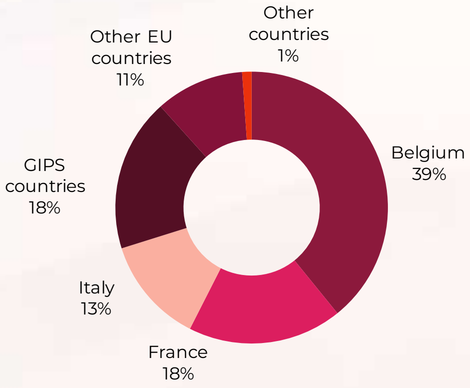
Notes: 1. Based on current markets; 2. As from 1H 2024, the estimated evolution of the ALM Yield bond portfolio takes future inflation into account in the calculation of EAD of inflation-linked bonds.

Outstanding exposures on government bonds & Credit risk statistics on mortgage loans

Evolution outstanding exposures government bonds[1]

EUR m
31 December 2024

EUR m	Dec 2023	Dec. 2024
Belgium	3,731	3,614
France	1,040	1,690
Italy	1,166	1,170
GIPS countries	1,435	1,679
Other EU countries	685	972
Other countries	105	103
Total	**8,163**	**9,227**

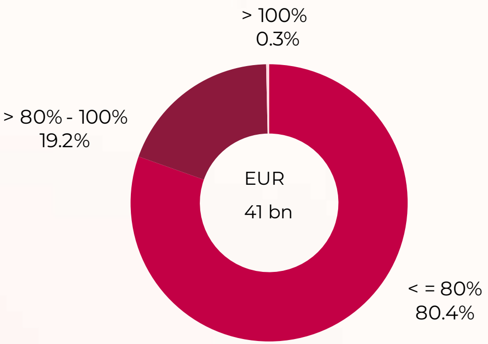


- Total government bond portfolio stood at EUR 9.2bn, up 13% compared to December 2023.
- 39% of the portfolio is invested in Belgian government bonds.

Bank

Mortgage loans Belfius Bank by indexed Loan-to-value ratio

Distribution per LTV bucket
31 December 2024



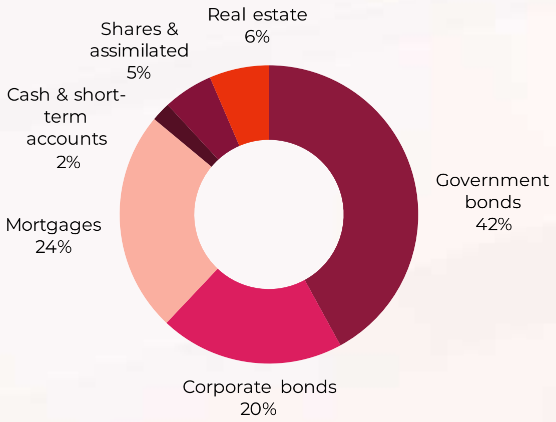
- Very sound LTV-ratio's:
  - Average LTV-ratio, based on outstandings (with indexation of real estate prices) stood at 55% as of 31 December 2024.
  - The part of the portfolio with an LTV > 100% is limited to 0.3%.

Note: 1. Figures are based on Full Exposures at Default – FEAD, at consolidated level.

ALM Belfius Insurance

Diversified asset allocation

EUR 15.1bn
31 December 2024



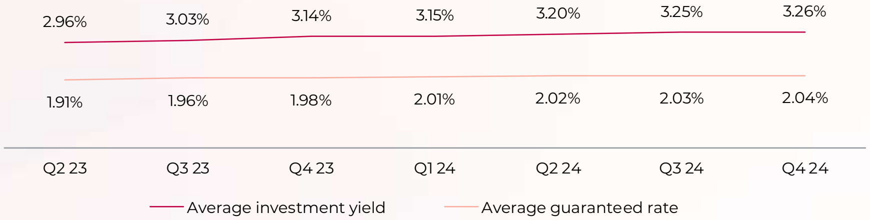
- Prudent investment strategy of the asset portfolio with a well-diversified asset allocation

Duration gap Life and Non-Life[1]

	Dec 2023	Dec. 2024
Total Life	-1.05	-0.53
Total Non-Life	1.87	1.45
Total	**-0.36**	**0.04**

Investment yield vs. guaranteed rate[2]

Scope: Life business excluding Br23



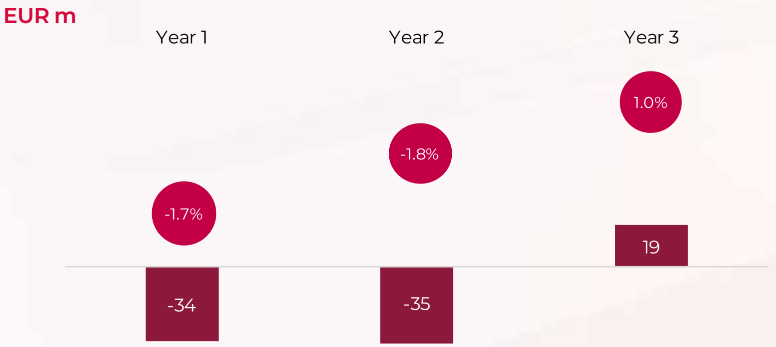
Notes: 1. Negative duration gap means duration of (covering) assets shorter than (to cover) liabilities; 2. Excluding a.o. reassessment of life insurance reserves and capital gains.

Solvency II ratio sensitivity table

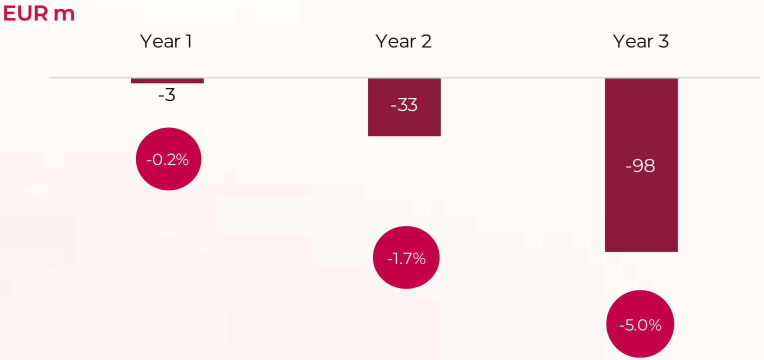
Solvency II Sensitivities 31 December 2024	**Δ SCR** (in EUR m)	**Δ AFR** (in EUR m)	**Δ Solvency II ratio** (in %)
Base Case	**1,067**	**2,090**	**196%**
Interest rate: Shock +50 bps	**14** *1%*	**(21)** *(1%)*	**191%** *(4%)*
Interest rate: Shock -50 bps	**(11)** *(1%)*	**22** *1%*	**200%** *4%*
Credit spread: Spread on fixed income (corporate) +50 bps	**(12)** *(1%)*	**30** *1%*	**201%** *5%*
Credit spread: Spread on fixed income (government) +50 bps	**44** *4%*	**(125)** *(6%)*	**177%** *(19%)*
Credit spread: Spread on fixed income (government and corporate) +50 bps	**(8)** *(1%)*	**(185)** *(9%)*	**180%** *(16%)*
Credit Spread: No Volatility Adjustment (VA)	**(23)** *(2%)*	**(239)** *(11%)*	**177%** *(19%)*
Equity: Downward shock -30%	**(103)** *(10%)*	**(307)** *(15%)*	**185%** *(11%)*
Real estate: Downward shock -15%	**(17)** *(2%)*	**(122)** *(6%)*	**187%** *(9%)*
UFR: Downward adjustment to 3%	**-** *0%*	**(14)** *(1%)*	**195%** *(1%)*

Belfius sensitivity to interest rates[1]

NII impact from +100 bps immediate parallel upward shift in rate curve



NII impact from -100 bps immediate parallel downward shift in rate curve



- During 2024, the short-term interest rates started to decrease, induced by the ECB policy to lower its policy rates after stabilization of inflation and in an effort to boost the Eurozone's lagging economy. Long-term rates, however, had a more volatile evolution over the course of 2024, driven by geopolitical uncertainties. The interest rate curve remained inverted through 2024 to evolve to an almost flat situation by the end of the year. This impacted the maturity transformation model of a universal bank such as Belfius Bank and our Net Interest Income in 2024. The decrease in the NII 2024 with 6% compared to 2023 can be mainly attributed to
  - the outflow generated by the Belgian state bond in September 2023 for EUR 3.5bn (low yielding liabilities left the balance sheet and have been replaced by more expensive funding sources), and
  - the non-remuneration of the monetary reserves implemented by the ECB in 2H 2023.
- Despite these headwinds, NII remained resilient thanks to the low tariffs on non-maturing deposits maintained in 2024, lower interest compensated by sound pricing and ALM hedging actions. From a product mix perspective, the decrease in interest rates stabilized the shift of volumes from savings and payment accounts towards term funding (mainly term accounts), except for the launch of a term deposit in response to peers' offering at the return of the funding from the 1-year government bond.
- A +100 bps increase of interest rates has an estimated impact on net interest income (before tax) of EUR -34m of the next book year and an estimated cumulative effect of EUR -50m over a three year period, whereas a -100 bps decrease would lead to an estimated impact of EUR -3m of the next book year and an estimated cumulative effect of EUR -135m over a three year period.

Note: 1. We remind that these NII sensitivities are calculated under a constant balance sheet (EBA IRRBB guidelines), while Belfius ALM manages of course the interest rate position in going concern, including an expected growth of the commercial activities, as observed during last years where both commercial assets and liabilities continuously grew.

% Change in annualized net interest income (NII) as % of FY 2024 net interest income bank

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