

Imposition of an administrative penalty on Belfius Banque SA; Belfius Bank NV; Belfius Bank SA

The EUROPEAN CENTRAL BANK,

decided on 6 June 2025 to impose an administrative penalty on Belfius Banque SA; Belfius Bank NV; Belfius Bank SA in an amount of EUR 6,940,000. This penalty is imposed in respect of a breach of an ECB Decision on internal models, for the period from 27 January 2024 to 17 March 2025. More specifically, Belfius Banque SA; Belfius Bank NV; Belfius Bank SA (also referred to as 'supervised entity') failed, by the deadline of 26 January 2024, to implement the new internal models for calculating capital requirements for credit risk and to submit an audit report testing and validating these models. Consequently, it continued using outdated internal models.

This decision was made pursuant to Article 18(7) of Council Regulation (EU) No 1024/2013.

When determining an administrative penalty, the ECB follows the principles set out in the ECB's Guide to the method of setting administrative pecuniary penalties pursuant to Article 18(1) and (7) of Regulation (EU) No 1024/2013. In accordance with this Guide, the ECB considered all the relevant circumstances of the case, in particular the degree of the misconduct of Belfius Banque SA; Belfius Bank NV; Belfius Bank SA, together with the impact of the breach, the size of the supervised entity and the applicable mitigating factors.

The ECB assessed the degree of the supervised entity's misconduct as 'high'. The obligation that the supervised entity was required to fulfil by the set deadline was clearly and unambiguously stipulated in the ECB Decision. Furthermore, the supervised entity was aware that it was delaying the implementation of the models despite being reminded by the ECB of its obligation to comply and knew that this delay would very likely result in a breach of the ECB Decision. Finally, Belfius Banque SA; Belfius Bank NV; Belfius Bank SA demonstrated, as early as 30 June 2021, an understanding of the necessary steps required for implementing the models. It is indeed on that date that it submitted the model application to and requested approval from the ECB to implement them. This application was followed by several interactions with the ECB that pointed to deficiencies in the models and to the delay in their implementation, ultimately culminating in the adoption of the ECB Decision. All these elements demonstrate a clear awareness of the breach by the supervised entity.

The ECB assessed the impact of the breach as 'medium' based on the effect that the breach had on the supervised entity's effective supervision and its duration. The effect of the breach has been determined based on (i) the importance that compliance with ECB decisions has for the ongoing supervision of credit institutions, (ii) the extent to which the reported risk weighted exposures amounts per exposure class differed from those that would have been calculated using the new models approved by the ECB, and (iii) the proportion of the total risk weighted exposure amounts affected by the use of

the outdated models. These elements prevented the ECB from obtaining a comprehensive view of the entity's risk profile for more than one year.

Out of the severity categories 'minor', 'moderately severe', 'severe', 'very severe' and 'extremely severe' the ECB classified the breach as 'severe' since the misconduct and the impact were determined, respectively, as 'high' and 'medium'. In addition, the ECB considered as mitigating circumstance the fact that the supervised entity applied a remedial measure to mitigate the underestimation of the affected risk weighted amount exposures.

The administrative penalty is published in accordance with Article 1a(3) of Council Regulation (EC) No 2532/98 and Article 132 of Regulation (EU) No 468/2014 of the European Central Bank (ECB/2014/17).

The ECB's decision to impose an administrative penalty on Belfius Banque SA; Belfius Bank NV; Belfius Bank SA may be challenged before the Court of Justice of the European Union under the conditions and within the time limits provided for in Article 263 of the Treaty on the Functioning of the European Union.