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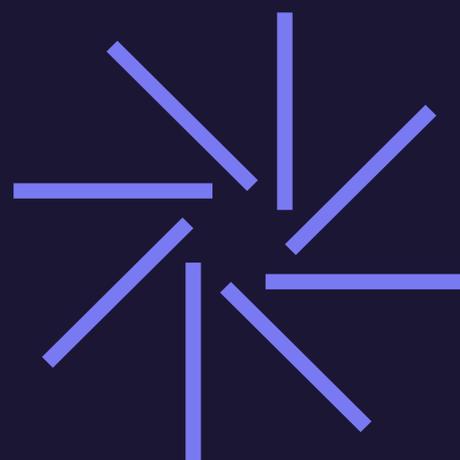
24

# Table of contents

<b>Introduction</b>	<b>04</b>	<b>Circumstances that can have a significant influence on the development of the company</b>	<b>12</b>
Letter from the CEO	05		
Letter from the Chairman of the Board of Directors	06	<b>Research and development activities</b>	<b>12</b>
<b>Evolution and results of the business and situation of the company - description of main risks and uncertainties</b>	<b>07</b>	<b>Information concerning branches of the company</b>	<b>12</b>
General overview	08	<b>Justification of the application of accounting rules on a going concern basis</b>	<b>13</b>
Corporate banking	08	<b>Application of conflicts of interest procedure (article 7:96 of the Code of Companies and Associations)</b>	<b>13</b>
Retail banking	09	<b>Use of financial instruments by the Company, when this is relevant for the valuation of its assets, liabilities, financial situation losses or profits - acquisition of own shares</b>	<b>13</b>
Securities portfolio	09	<b>Justification of the independence and competence of at least one member of the Risk and Audit Committee</b>	<b>13</b>
Non-performing loans portfolio	09	<b>Pillar III disclosures</b>	<b>14</b>
Financial and economic situation	09	Governance	15
Balance sheet	09	Recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	16
Evolution of loans and assets	10	Policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved	16
Evolution of funding sources	10		
Changes in certain off-balance sheet items	10		
Profit and loss	10		
Equity	11		
<b>Important events occurred after the balance sheet date</b>	<b>11</b>		

Risk management objectives and policies	17
Own funds	18
Capital requirements	18
Exposure to counterparty credit risk	20
Capital buffers	20
Credit risk adjustments	21
Unencumbered assets	23
Use of external credit assessment institutions (ECAI's)	23
Exposure to market risk	23
Operational risk	24
Remuneration policy	24
Governance	24
Identified staff	24
Selection process	24
Specific rules (risk alignment, deferral, instruments)	25
Leverage	25
Historical prepayments of mortgage loans	27
<b>Financial Statements (Schema B)</b>	<b>30</b>
<b>Accounting Policies &amp; Evaluation Rules</b>	<b>44</b>

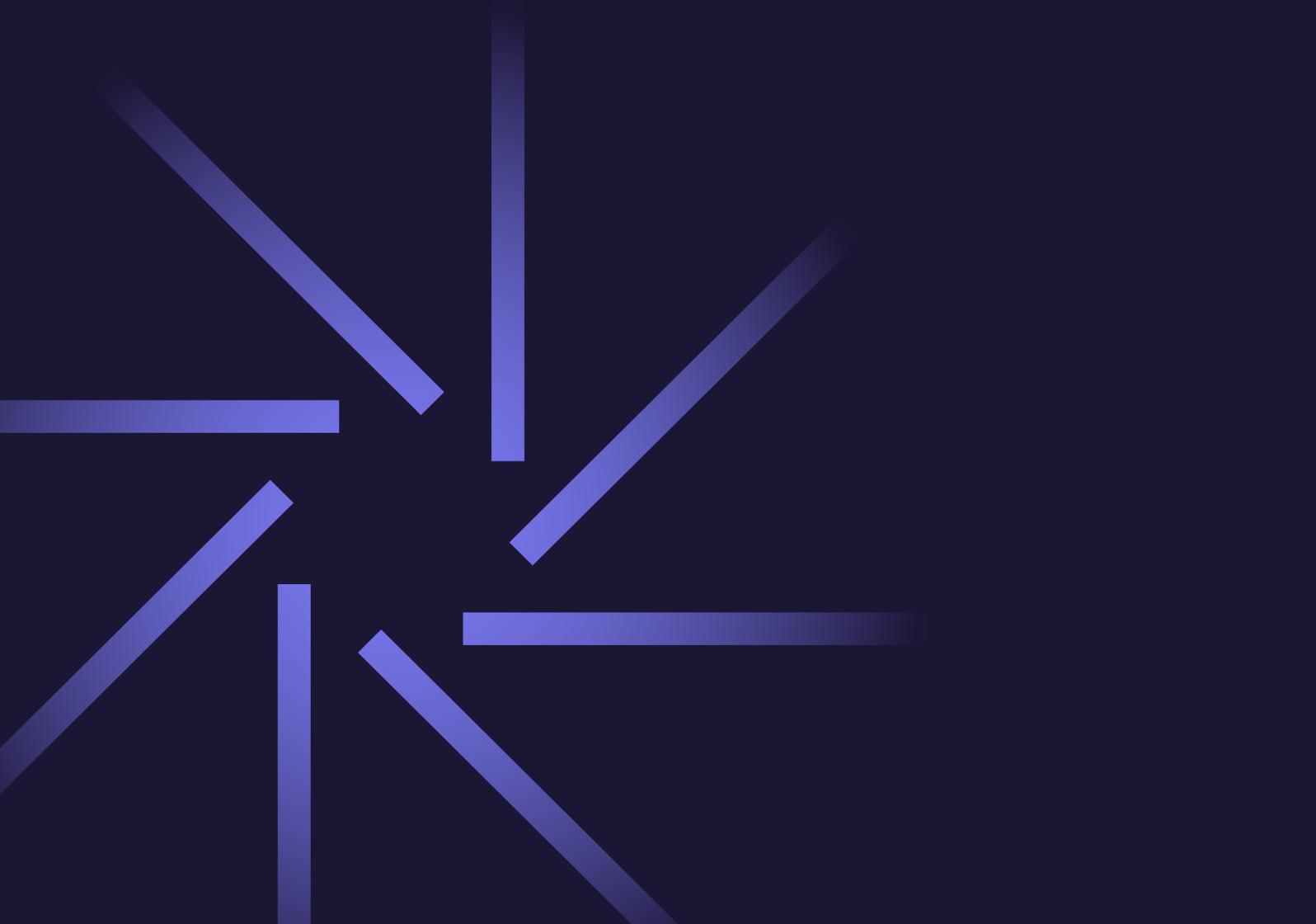
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# | Introduction



# Letter from the CEO

In 2024, Aion Bank focused on keeping good relationships with our BaaS customers, developing new solutions to enable profitable growth.

Client satisfaction is easy when the technical solutions are great, because BaaS products are often complementary to the core business of our BaaS customers; providing value added services to their end customers. That helped us grow our deposit base significantly to 1.6 bn€ (vs. 1.1 bn€ end of 2023)

The loan growth was very conservative, in line with the shareholder's capital strategy. The over liquidity was placed in high quality assets, which allowed the bank to end the year with a regulatory solvency ratio of 21.4%, with sufficient buffer to cover the increased capital requirements from "Basel IV" at the beginning of 2025.

Total assets ended at 1.8 bn€ (vs. 1.3 bn€ end of 2023), while slightly reducing total equity to 96 m€ (vs. 100.5 m€ in 2023). The annual loss of 8.1 m€ in 2024 (8.2 m€ in 2023) was in line with the expectations.

The year 2024 was also a year for strengthening our internal controls and getting ready for big growth. And big growth is coming.

Significant events have happened since the closing of our 2024 financial year.

Most importantly, in March 2025 the bank became a 100% subsidiary of the UniCredit Group, which added € 100 million new capital to Aion Bank in April 2025.

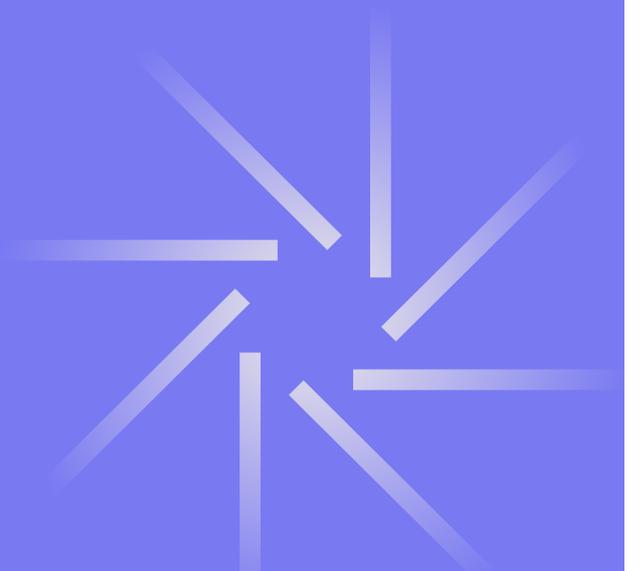
Now being part of the UniCredit Group will strengthen Aion in its financial capabilities and also towards the external world including clients and regulators.

Aion Bank will engage more resources in growing the BaaS business in Europe. And with our sister company Vodeno, we will prepare for re-launching the UniCredit banking business in Poland, and launching digital banking operations in selected Western European markets.

Thank you to Aion Bank employees for a strong engagement in 2024, and support with the new strategy.

Yours Sincerely,

**Niels Lundorff**  
acting CEO of Aion Bank



# Letter from the Chairman of the Board of Directors

## Banking markets are changing.

UniCredit Group has big ambitions with the acquisition of Aion Bank and Vodeno. The technological leadership which Aion Bank and Vodeno have built over the last almost seven years will now serve the UniCredit Group in its expansion and search for operational efficiencies.

The Bank has unique capabilities as a Banking-as-a-Service (BaaS) provider, which have proven themselves over the past few years.

Aion Bank and Vodeno have most of the digital banking solutions required to compete in Europe. Some add-ons will be developed and Aion Bank will drive the UniCredit expansion to selected Western European countries. The re-launch of UniCredit in Poland will have a larger scale and benefit from the significant track record of many of the leaders and managers in the Bank.

I would like to welcome Niels Lundorff as new CEO of Aion Bank, and thank Neil Chandler for his work. Welcome also to Celina Waleskiewicz and Krzysztof Czuba as executive members of the Board of Directors. Thank you to Cassy Ramsey and Tom Boedts for staying in the executive committee, Welcome also to Krzysztof Kuzniar, Piotr Osinski, Jakub Malch and Marco Pusterla in the Management Committee.

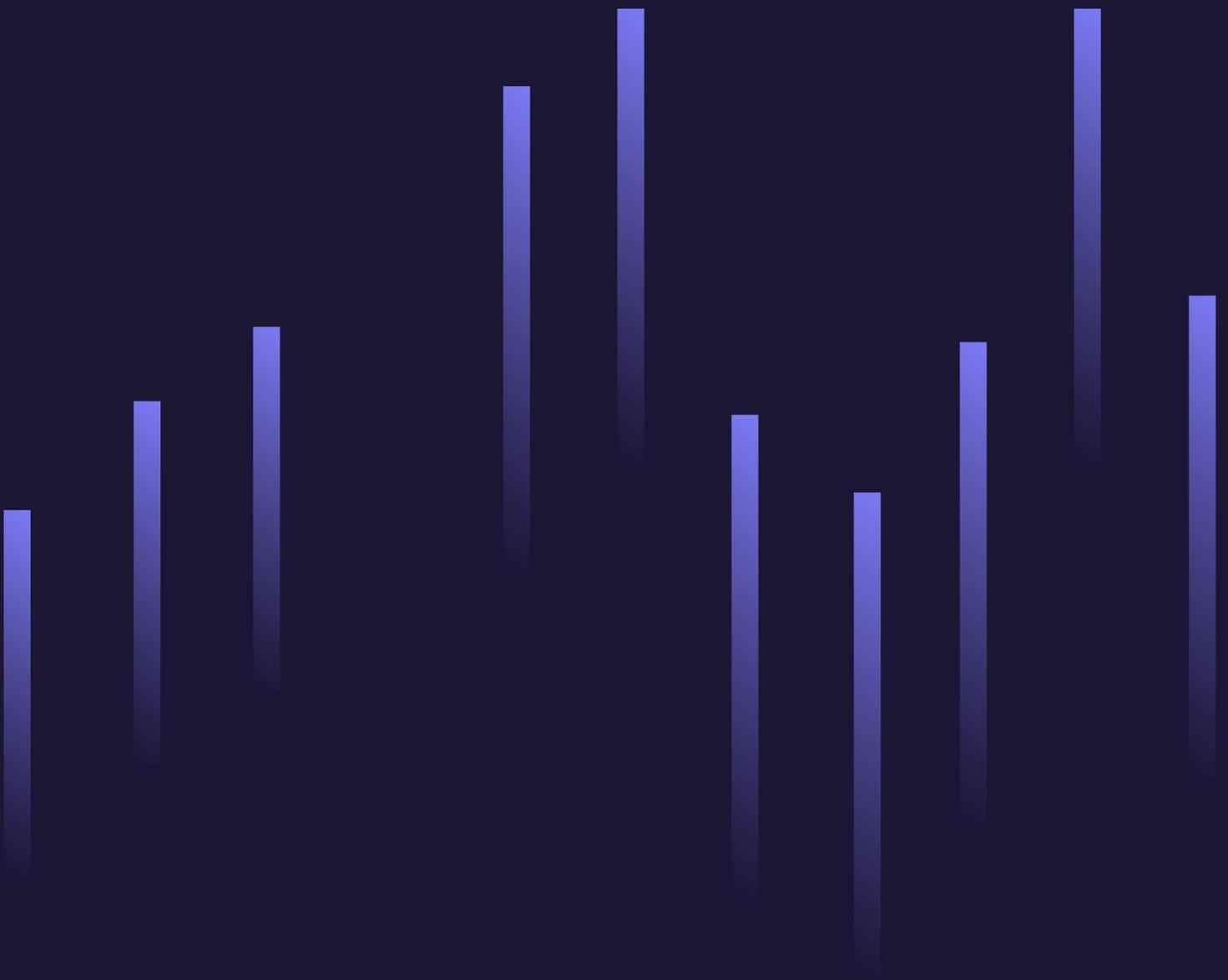
Doris Honold has stepped back from the Board of Directors; I would like to thank her for her work as Head of the Risk and Audit Committee. Thank you to Guido Ravoet for taking over that role. Welcome to UniCredit representatives in the Board of Directors: Alessandra Protopapa, Emidio Salvatore, Gianluca Pometto.

The new Board and I will build on the strong processes and risk management when we will engage in further growth of the customer base, making 2025 a safe jump into significant profitable expansion.

Yours sincerely,

**Wojciech Sobieraj**  
Chairman of the Board

# **1. Evolution and results of the business and situation of the company - description of main risks and uncertainties**



## 1.1. General overview

Aion Bank continued to successfully deploy its Banking-as-a-Service (BaaS) and embedded finance strategy in 2024. BaaS continues to be the core of the Bank's strategy. The focus in 2024 expansion of relationships with the existing customers. It was significantly visible in the fast growing volumes of BAAS deposits.

Aion had to carefully manage the loan portfolio and all other assets generating RWA due to capital limitation before the change of the ownership of the Bank which finally took place in March 2025. Capital constraints were also related to the CRR3 Directive which came into force from 1 January 2025.

UniCredit S.p.A. announced that, having received approvals from all the relevant authorities, it acquired the entire share capital of Aion Bank SA/NV and Vodeno Sp. z o.o. (software provider for Aion) for an aggregate consideration equal to € 376 million on 7 March 2025.

The new owner provided € 100 million additional equity in April 2025 to enable fast growth of loan portfolio and implementation of the new strategy related to DtC (direct-to-consumer)

Therefore Aion with Vodeno started to develop new strategies and products designed for DtC (direct-to-consumer) Retail and SME customers. Aion plans to focus on two channels of customer acquisition: further investment in BAAS business but also create its own network for direct-to-consumer customers.

The Bank has a portfolio of BaaS projects in daily banking, embedded lending, payments-as-a-service and cards-as-a-service, and large projects in the pipeline with leading platforms and brands in eCommerce. In 2024 the Bank had an exponential growth in the end customer base serviced through BaaS partnerships. The Bank's BaaS customer base now represents more than 90% of the Bank's customer base.

As a BaaS provider, Aion/Vodeno combines a fully API-based, cloud-native platform with services based on an ECB banking licence to provide a full suite of digital banking products and services, embedded finance solutions and white-label products to both financial and non-financial companies across multiple sectors. By combining innovative technology with real banking expertise, Aion Bank is able to offer a comprehensive

set of BaaS products that are fully compliant in the back-end, allowing clients to focus on servicing their end customers.

Aion concentrated on delivering and expanding the existing business with current partners, implementing and launching new types of services in 2024, including current accounts, payment services, including providing its partners to make instant payments in polish BLIK system and lending products like Buy Now, Pay Later.

Aion Bank continued to develop its BaaS business via branches in Germany, Poland and Sweden. Aion's three branches combined with its ability to passport its home licence throughout the European Economic Area alongside Vodeno's technological capabilities make Aion an attractive partner to support BaaS and embedded financial solutions throughout the EU.

BaaS related loan volumes fell to €319 million in December 2024 from €403 million in December 2023. It was the result of the outflow of low margin volumes of one of the biggest RPA (Receivable Purchase Agreement) BAAS partners.

There was a significant increase in BAAS related customer deposits, as well as diversification of deposit providers. The total Customer deposits volume increased to €1 616 million from €1125 million in 2023 (+44%).

The successful pivot into BaaS and embedded finance resulted in an increase of the number of **Retail and SME** customers serviced through BaaS partnerships from **43K in 2022 to 238K in 2023 and reached 660K at the end of 2024.**

At the end of 2024 Aion serviced 935K BAAS related loan customers.

## 1.2. Corporate banking

The corporate deposit volumes increased by €248 million (+337%) in 2024 and reached €322 million in December 2024 as compared to €74 million in 2023. The increase resulted from the development of cooperation with BAAS partners.

The amount of loans to business customers and public entities decreased by €46 million (29%) to €115 million in 2024. It is mainly related to repayment of the legacy portfolio of SME loans which is in line with the Bank's strategy to concentrate on the BAAS related business.

There were no corporate bonds in Aion's portfolio at the end of 2024 as compared to €12 million at the end of 2023, which were bought back by the issuer during the year.

### 1.3. Retail banking

Loans to retail customers decreased net by €103 million (-20%) compared to €507.9 million in 2023 and amounted to €404.7 million in December 2024. It resulted from the hold on acquisition of new packages of RPA (Receivables Purchase Agreement) loans from one of the biggest BAAS partners. This decision relates to low profitability of that agreement in comparison to other BAAS loans.

The Bank further reduced its legacy mortgage loans portfolio (decrease by €13 million). This was part of the Bank's strategic decision in 2020 to no longer offer mortgage lending and allows freeing up capital to support the BaaS strategy.

Retail deposits increased to € 1 289 million (+24%) in 2024 compared to € 1 037 million at the end of 2023. It is mainly related to launching of cooperation with a new BaaS partner and expansion of the existing cooperation with other BaaS agreements.

At the same time, there was a decrease in traditional deposits of Belgian SME customers; in line with the Bank's commercial strategy.

### 1.4. Securities portfolio

The Bank slightly increased its bonds portfolio to €178 million in December 2024 from €153 million (excluding €12 million of corporate bonds) at the end of 2023.

The risk profile of the portfolio remained conservative and is well diversified between different sovereign issuers with investment grade rating, and in most cases, ECB refinancing eligibility. Most of the fixed income portfolio is concentrated in 1-3Y remaining maturity.

Aion had no corporate bonds in its portfolio at the end of 2024.

### 1.5. Non-performing loans portfolio

The total NPL volume amounted to €102 million in December 2024, of which 28% in the Retail segment and 72% in the SME and Corporate segment, as compared to €109 million in December 2023.

The gross exposure on defaulted loans is €45.9 million, with a provision coverage of 72% (compared

to €49.0 million in 2023, with 67% coverage). Non-performing exposures are mostly covered by collateral or provisions.

## 1.6. Financial and economic situation

### 1.6.1. Balance sheet

At the end of December 2024, the total balance sheet amounted to €1 785 million, an increase of 39% from €1 284 million in December 2023.

The balance sheet growth exclusively results from the development of BaaS partners related loans and deposits volumes.

As a result of the faster growth of deposits as compared to loan volumes, the Loans to Deposits (L/D) ratio decreased to 32% in 2024 from 59% in 2023.

### The following developments were significant:

#### Assets:

- €150 million decrease in loans to customers, of which net decrease of €103 million from private individuals, mainly as a result of outflow of a low-margin BaaS portfolio,
- increase in other interest bearing categories of assets (cash with central bank, receivables from credit institutions, bonds and securities) as a result of increased liquidity related to high growth of deposit volumes in 2024
- €584 million increase in cash balances with central banks,
- €69 million increase in receivables from credit institutions from €23 million to €92 million,
- €12 million increase in bonds and other fixed-income securities from €166 million to €178 million,

#### Liabilities:

- €491 million increase in amounts owed to customers, including an increase by €252 million to the private individuals, €248 million to companies and decrease of -€9 million of debts to public authorities. The increase of deposits volumes is related with the further development of BAAS relationships.

- €4 million increase of subscribed Capital by (from €80 million to €84 million)
- -€4 million decrease in the total Equity

The above movements were required to enable the increase of the BaaS loan portfolio.

## 1.6.2. Evolution of loans and assets

Total assets increased by €501 million (+39%) including €150 million decrease of loan volumes and €664 million increase of other interest bearing assets, of which €584 million increase of Cash balances.

Loans to customers amounted to €520 million (of which €405 million to individuals, €112 million to corporate customers and €3 million to public authorities) compared to €669 million a year earlier.

### **-€150 million decrease of loans was related to:**

- -€84 million decrease in the BaaS deals (€319 million in December 2024 vs. €403 million in 2023)
- -€39 million decrease of SME legacy loans portfolio (non-BaaS BE loans)
- -€13 million decrease in mortgage loans (related to repayments), in line with the strategy to exit mortgage lending.
- -€14 million decrease in consumer retail loans.

The loan/deposit ratio, which was 59% at 31 December 2023, decreased to 32% at 31 December 2024.

Bond receivables (excluding corporate bonds) totaled €178 million as compared to €166 million a year earlier.

Receivables from credit institutions amounted to €92 million (increase vs. previous year by €69 million).

## 1.6.3. Evolution of funding sources

Aion continues to cover its net cash funding requirements exclusively through customer deposits. The Bank continued to maintain regulatory capital and liquidity ratios at a healthy level.

The deposits from customers amounted to €1 616 million at the end of 2024 as compared to €1 125 million a year earlier.

Aion does not use borrowings from the interbank market as a source of financing: the amount of the deposits from credit institutions was €14 million (mainly as a result of cash it transfers) and €3 million in 2023.

### **In terms of liquidity risk, Aion Bank comfortably complies with all regulatory and internal limits, such as:**

- the Liquidity Coverage Ratio (LCR), which stood at 361% (211pp. above the requirement). The Excess Liquidity Buffer for LCR was €788 million (vs. €227 million) at year end.
- the Net Stable Funding Ratio (NSFR) at 324% in 2024 (224pp. above the requirement).

## 1.6.4. Changes in certain off-balance sheet items

### Guarantees

Commitments granted in connection with the issue of bank guarantees decreased by €1.1 million and amounted to €3.8 million as at 31 December 2024 (vs. €5.1 million in 2023).

### Interest rate transactions

Aion Bank uses only Interest Rate Swaps (IRS). These are used to hedge part of the Bank's fixed-rate and long-term loan portfolio, which consists mainly of mortgage loans and investment loans. As of 31 December 2024, the outstanding IRS notional amount was €33 million compared to €38 million at the end of 2023.

## 1.7. Profit and loss

Aion Bank closed 2023 with an accounting loss of €8.1 million, compared to a net accounting loss of €8.3 million in 2023. The loss for 2024 included €0.9 million write-off of decommissioned software.

The reduction of the loss (excluding one-off in 2024) was primarily the result of higher revenues from the BaaS business.

The net interest margin remained on a similar level of €27.3 million in 2024 as compared to 2023 (€27.8 million). The increase of interest margin was slowed down by the outflow of one of BAAS portfolios in 2024. However the loan volumes are being rebuilt with portfolios with higher interest margin, which should have a positive impact on 2025 results.

**The increase in both interest income ( €57.4 million to €111.3 million) and interest expense (-€29.6 million to €84.0 million) results from:**

- significant increase of the BaaS deposits volumes.
- increase of share of the business in Poland, which is a non-€ country with higher interest rates (both for loans and deposits) as compared to the € market.

Net overall commissions amounted to €4.9 million (-27.2 cost and +32.1 income) in 2024 vs. €-1.3 (loss) million (-29.3 cost and +30.6 income) in 2023. It shows that the BAAS business crossed the break-even point, where on the operational income level: so the volume of transactions made by BAAS customers generate more revenues than costs related to maintain the services (especially payment cards and transfer related costs)

Income from foreign exchange activities and financial transactions remained at a similar level of €2.9 million. This is mainly related to PLN / EUR FX swaps.

Administrative overheads increased in total from €27.2 million in 2023 to €30.7 million in 2024. It results from increased remuneration expenses related to the growing business by €5.4 million YoY. At the same time the Aion managed to further limit the non personal expenses from €12.1 million in 2023 to €10.3 million in 2024.

Depreciation was higher by €0.6 million in 2024, however it contained a one-off depreciation of a decommissioned software of €0.9 million (there was a similar one-off of €0.5 million in 2023)

Net write-downs on receivables were better (decreased in absolute value) in 2024, from -€2.8 million in 2023 to -€2.5 million in 2024.

## 1.8. Equity

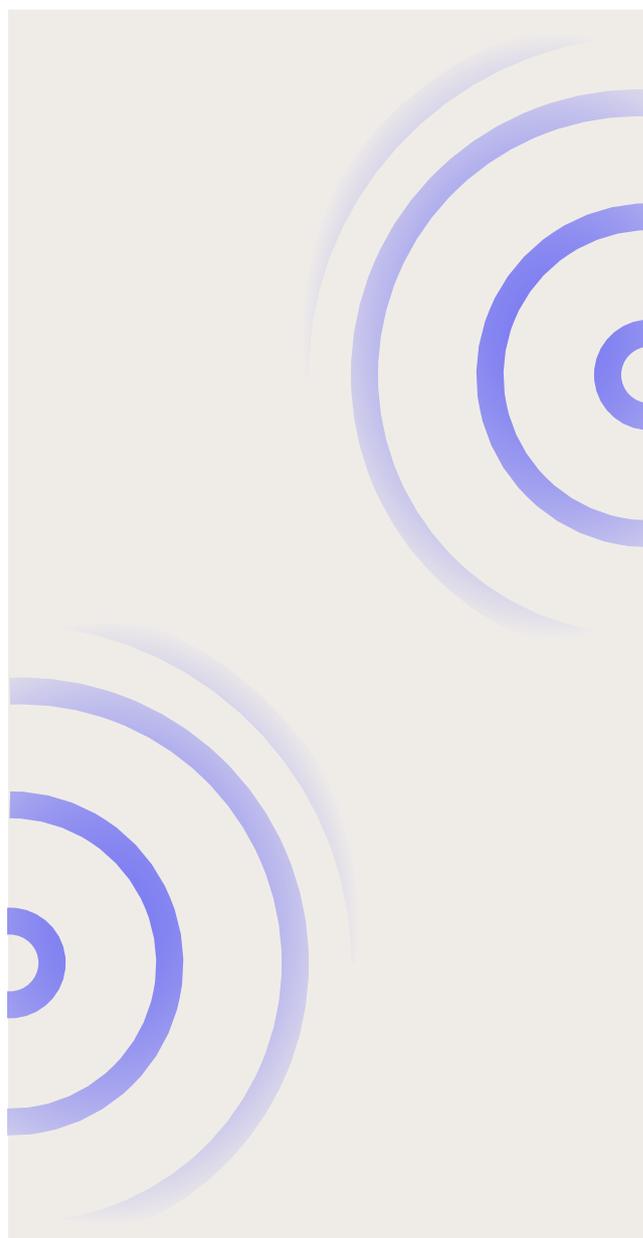
Book value of equity was €96.4 million at the end 2024 (compared to €100.5 million in 2023).

Considering tier 2 capital instruments and regulatory deductions, the total regulatory capital amounted to 107.4 in 2024 (compared to 109.2 million in 2023), resulting in a regulatory solvency ratio (TCR) of 21.4% which is significantly above the required 16.4%.

Regulatory Solvency ratios	31/12/2024	31/12/2023
RWA (amounts in million €)	482.6	604.5
Core Tier I ratio	19.3%	15.8%
Tier I ratio	19.3%	15.8%
Regulatory Solvency ratio (Tier I + Tier II)	21.4%	18.1%

The Bank's shareholders made one capital injection of €4.0 million in 2024.

More details about the capital composition and reconciliation with book value of equity are available in the Pillar III disclosures section.



## 2. Important events occurred after the balance sheet date

7 March 2025 - UniCredit S.p.A. announced that, having received approvals from all the relevant authorities, it acquired the entire share capital of Aion Bank SA/NV and Vodeno Sp. z o.o. for an aggregate consideration equal to Euro 376 million.

Aion will spearhead UniCredit Group's entering of new markets.

Beyond leveraging Aion Bank's ECB banking licence and established mobile-first offering for retail and SME clients, the new owner intends to expand Aion Bank and Vodeno's existing Banking-as-a-Service (BaaS) offering across key European markets, including Germany and Poland. This would see the bank embed its services - ranging from account access and deposits to lending, payments and loyalty programs - directly into non-banking digital platforms, facilitating seamless customer experiences.

### 19 April 2025

UniCredit increases Aion's share capital by €100 million.

### 8 May 2025

Neil Chandler resigned as CEO of Aion Bank, effective immediately. Niels Lundorff, former Aion's CFO, was nominated as Aion's new CEO. The nomination is pending regulatory approval.

## 3. Circumstances that can have a significant influence on the development of the company

**The Company's growth and profitability are influenced by:**

- expansion of the customer base, as part of the BaaS strategy, by providing banking products and services to those customers (ie activation of B2B2C);
- the development of commercial activity and the quality of customer service, especially in the context of the Bank's Banking-as-a-Service strategy;
- changes in capital and financial markets, especially interest rate developments;
- the macroeconomic environment;

- shareholder stability
- Changes in Capital requirements, especially related to the increased Countercyclical buffers and CCR3 requirements entering in force from 2025.

## 4. Research and development activities

As part of the transformation of the Bank, the Company invests significant resources in developing state-of-the-art digital banking tools. It is the Bank's ambition to be a digital first provider of Banking-as-a-Service solutions, able to offer a comprehensive set of services to both Retail and SME clients. To that effect, the Bank develops highly digitalised processes for all banking operations, using the latest technology for client, onboarding, authentication processes and communications with clients. The Bank also invests in developing new business models for delivering banking and financial services in a highly digitalized environment, partnering with merchants, e-commerce and other financial service providers (BaaS). This requires constant investments in advanced technology and systems to support this.

The Bank is otherwise not involved in research and development activities.

At the moment Aion has BaaS projects in 7 countries and is constantly developing applications for existing and new customers.

## 5. Information concerning branches and subsidiaries of the company

### 5.1. Branches

Based on the Bank's freedom of establishment, the Bank has established branches in Poland, Germany and Sweden.

The banking branch in Poland operates under the name Aion Bank S.A. Spółka Akcyjna Oddział w Polsce. Its registered office is established in 00-344 Warszawa, ul.Dobra 40. The person responsible for the management of the branch is Tomasz Wroblewski.

The banking branch in Germany operates under the name Aion Bank Germany Branch NV/SA. Its registered office is established in Tribes Frankfurt Basler, Basler Strasse 10, 60329 Frankfurt, Germany. The person responsible for the management of the branch is Tom Boedts.

The banking branch in Sweden operates under the name Aion Bank S.A. Swedish Filial. Its registered office is established in Kungstensgatan 21 A, 113 57 Stockholm. The person responsible for the management of the branch is Niels Lundorff.

## 5.2. Subsidiaries

Aion had no subsidiaries in 2024.

## 6. Justification of the application of accounting rules on a going concern basis

The application of the accounting rules on a going concern basis continues to be justified based on the observed and planned business development, the capital and the liquidity planning of the Company as supported by Aion's Board of Directors as part of the ICAAP process.

## 7. Conflicts of interest

In the course of the year the directors did not encounter any conflicts of interest during the meetings of the board of directors.

## 8. Use of financial instruments by the Company, when this is relevant for the valuation of its assets, liabilities, financial situation losses or profits - acquisition of own shares

The Bank's policy on the use of financial instruments is defined in the 'Investment Policy' that is adopted by the Executive Committee in order to implement the general strategy defined by the Board of Directors. The execution of this policy is controlled according to the three lines of defence system and is monitored by the Assets and Liabilities Committee.

The Assets and Liabilities Committee provides advice to the Executive Committee on financial risk management. It also monitors decisions and compliance with the limits set by the Executive Committee and the Board of Directors

The Bank's activities in derivatives are limited and for hedging purposes only. These are mainly interest rate swap transactions and FX transactions. In order to hedge the interest rate risk on the fixed rate loan portfolio, Aion Bank mainly uses amortising IRS.

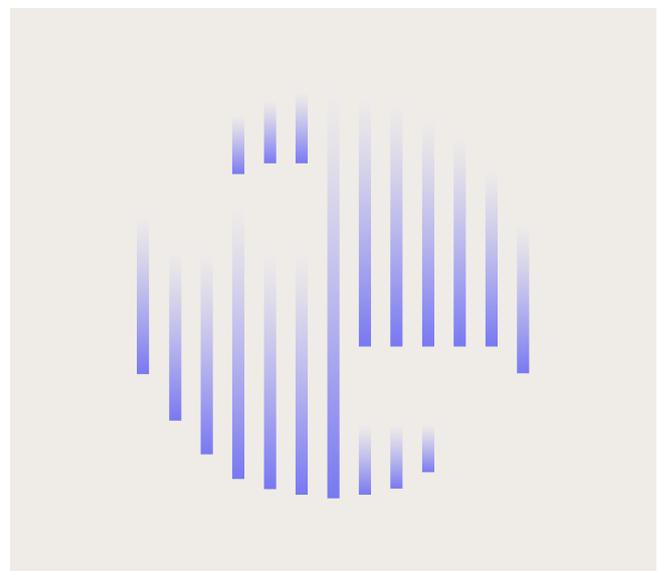
The front-office activities are governed by a system of limits defined in the Market, Interest Rate, Liquidity and Counterparty Risk Policy adopted by the Executive Committee in order to implement the Risk Management Framework defined by the Board of Directors. These limits relate to the type of transaction (interest rate product, currency product) and the type of product (IRS, forward exchange contracts) and volumes of activities.

The Company did not acquire any own shares.

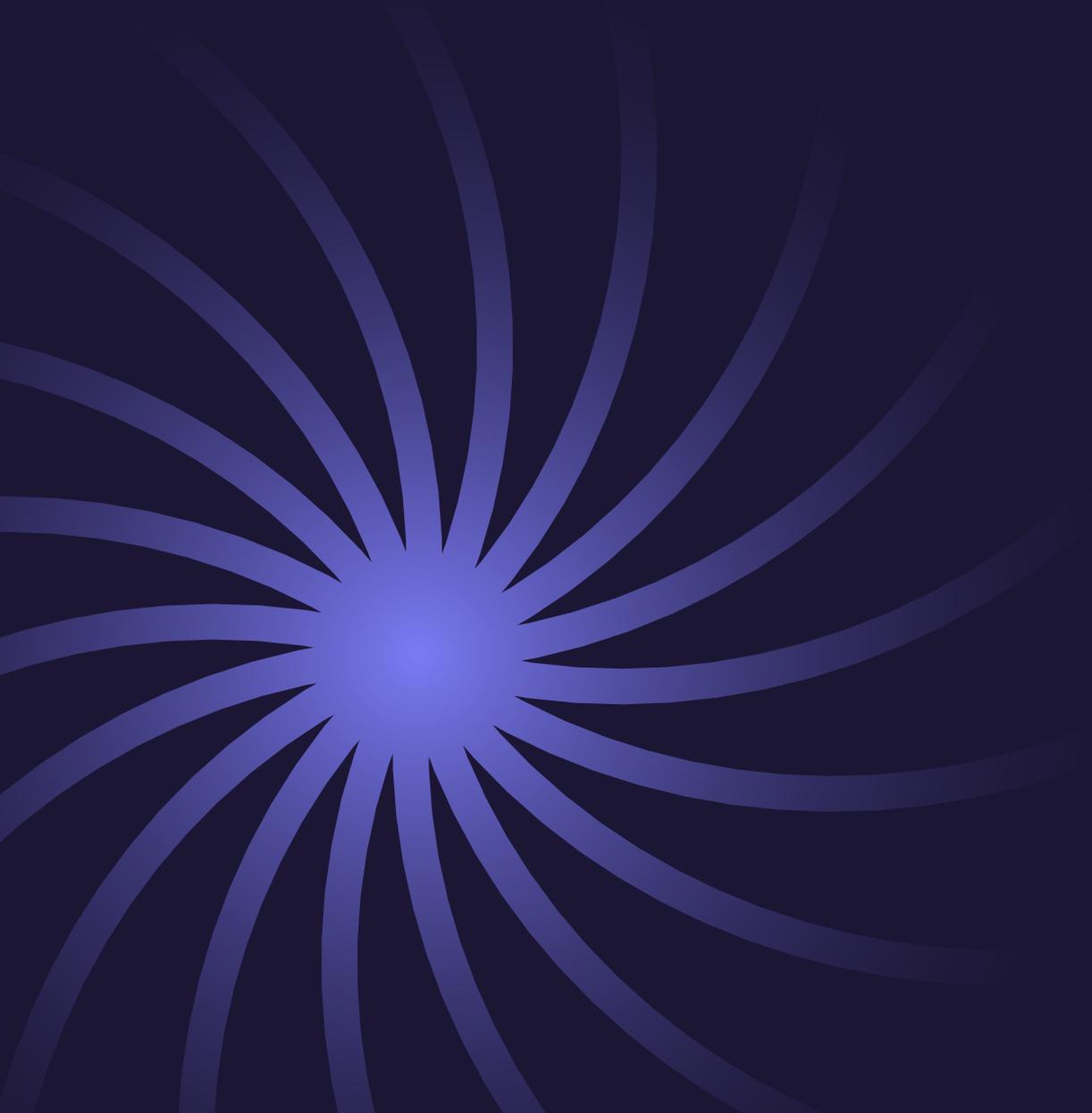
## 9. Justification of the independence and competence of at least one member of the Risk and Audit Committee

In accordance with the Belgian Banking Law, the Bank has set up a Risk and Audit Committee. The Risk and Audit Committee is composed of three non-executive directors, including two directors that meet the independence requirements set forth in the Belgian Banking Law.

All members of the Risk and Audit Committee have been assessed on their independence and compliance with regulatory fit and proper requirements in accordance with the Belgian Banking Law. The Risk and Audit Committee has collectively the required specific accounting and audit skills. Moreover, the Risk and Audit Committee members individually have the knowledge, competence and experience allowing them to understand and assess the strategy in terms of risk appetite of the Bank, amongst other things through their experience in leading managerial positions and risk management roles in the financial services sector.



## | 10. Pillar III disclosures



## 10.1. Governance

The table below sets for the composition of the Board of Directors and the total number of directorships held by members of the Board of Directors as of the date of this report<sup>1</sup>.

Name	Type of director	Number of other mandates
Tom Boedts	executive director, Chief Operations Officer	0
Niels Lunderff	executive director, Chief Financial Officer. CEO ad interim following resignation of Mr. Neil Chandler	4*
Kathleen Ramsey	executive director, Chief Risk Officer	2
Guido Ravoet	independent director chair of Risk and Audit Committee ad interim following resignation of Mrs Doris Honold.	0
Wojciech Sobieraj	non-executive director, Chairman of the Board	1
Emidio Salvatore	non-executive director	1
Alessandra Protopapa	non-executive director	2
Gianluca Pometto	non-executive director	0

\* Mr. Niels Lunderff holds four external board mandates, all of which fall under the “no counting” regime pursuant to Article 91(4) CRD IV, as they are held in organisations that do not pursue predominantly commercial objectives

<sup>1</sup>Mr. Neil Chandler and Mrs. Doris Honold have resigned as directors with effect from 1 May 2025.

### The Executive Committee, as of the date of this report, is composed as follows:

- Niels Lunderff, executive director, CFO, A Director
- Tom Boedts, executive director, COO, A Director
- Kathleen Ramsey, executive director, CRO, A Director

### The Risk and Audit Committee, as of the date of this report, is composed as follows:

- Wojciech Sobieraj, non executive director, C Director
- Guido Ravoet, independent director, B Director

Since it is not a credit institution of significant importance, the Bank decided, in accordance with article 33 of the Banking Law, not to set up a Remuneration Committee or a Nomination Committee. The functions of the Remuneration and Nomination Committee are carried out by the Board of Directors.

The Board of Directors met ten times in 2024.

The Risk and Audit Committee met eight times during 2024.

## **10.2. Recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise**

The members of the Board of Directors must be natural persons. During the performance of their duties, directors must permanently maintain a good reputation, professional behaviour/conduct and sufficient knowledge, skills and experience to fulfil their mandates as directors. No director may fall under one of the prohibitions set forth in article 20 of the Banking Law.

Members of the Board of Directors are appointed by the general meeting of shareholders based on their skills and the contribution that they can bring to the Bank.

The appointment of a director is subject to a separate assessment of their suitability by each of the Board of Directors and the National Bank of Belgium. The Bank will inform (inter alia) the supervisor of the outcome of its suitability assessment, including the assessment of suitability of the collective composition of the statutory governing body.

### **New directors will be assessed and selected taking into account:**

- the National Bank of Belgium Manual on assessment of fitness and propriety;
- the EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU, including as to time commitment and collective suitability;
- Circular NBB\_2018\_25 / Suitability of directors, members of the management committee, responsible persons of independent control functions and senior managers of financial institutions;
- the Fit and proper Policy as established by the Bank

The Board of Directors is responsible for the appropriate recruitment, assessment and training policy designed, amongst other things, to support these assessments.

Compliance with fit and proper requirements will be verified by the Board of Directors before any appointment and monitored on an ongoing basis during the mandate in accordance with the Manual on assessment of fitness and propriety of the National Bank of Belgium. The Bank will inform the competent supervisory authority in advance in the event of non-renewal, resignation or revocation of the mandate of a director.

## **10.3. Policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved**

Aion Bank is a highly diverse international company in terms of its workforce and is committed to creating and supporting a collaborative workplace culture. A diverse environment allows the company to optimise interaction with its customers and stakeholders, and effectively respond to challenges in different ways. Aion Bank takes a broad view on diversity. Diversity encompasses, inter alia, differences in backgrounds, gender, age, language, ethnic origin, parental status, education, skills, abilities, religion, sexual orientation, socio-economic status, work and behavioural styles.

The Bank has adopted a new Diversity and Inclusion policy in the course of 2023, covering both Board of Directors and senior management. Aion Bank is convinced that diversity of competences and views of the Board of Directors facilitates a good understanding of the business organisation and affairs. It enables the members to constructively challenge strategic decisions, ensure risk management awareness and to be more open to innovative ideas.

In the composition of the Board of Directors special attention is paid to diversity in terms of criteria such as age, professional background, gender and geographic diversity. The Company intends to review and assess this upon any changes to the composition of the Board of Directors.

As of the date of the report, the female gender is the underrepresented gender in the Board of Directors of Aion Bank.

As per 31 December 2024, following the addition of Mrs. Ramsey, as chief risk officer in November 2023, three out of ten members of the Board of Directors are of the underrepresented gender. The board of directors gets close to 1/3 of the board members being of the underrepresented gender. This is below the minimum representation of the underrepresented gender required by law (one third). The Board of Directors intends to bring the number of female directors back to above the legal minimum of one third as soon as practicable and will take this into account as selection criteria for future appointments of directors.

The Board of Directors continues to be well diversified in terms of geographical background (6 different nationalities), age of directors, professional and educational background.

#### 10.4. Risk management objectives and policies

**The Bank has implemented a Risk Management Framework (RAF) based on several important pillars which are set by the Board of Directors:**

- a. Risk Strategy, defining strategy and governance in terms of risk,
- b. Risk Appetite Statement, defining risk appetite, setting limits and defining reporting procedures (including RAS monitoring dashboard),

- c. ICAAP/ILAAP<sup>2</sup> policy, including comprehensive stress testing and capital and liquidity planning, aimed at securing proper risk assessment and capital coverage,
- d. Credit Competences, defining the credit decisioning process

The Board of Directors role is crucial within risk management as it oversees the approach taken by the Bank toward risk management by approving the Risk Management Strategy, Risk Appetite Statement, Internal Control System, ICAAP and Remuneration Policy.

The Risk and Audit Committee is responsible for assisting the Board of Directors in fulfilling its obligations and oversight responsibilities in aspects related to risk strategy and risk tolerance. It assists the Board of Directors in supervising the implementation of this strategy by the Executive Committee.

The Executive Committee is responsible for the implementation of the Risk Management Strategy by taking adequate actions, among others: creating proper risk management structure, delegating responsibilities, creating internal control systems, maintaining limits and controls at adequate levels in line with the Risk Appetite Statement.

The Risk Management Function ("RMF") delivers a holistic view on all risks and ensures that the risk strategy is complied with by ensuring that all risks are identified, assessed, measured, monitored, managed and properly reported. Since November 2023, the risk management function is exercised by a person who is a member of the Executive committee: the Chief Risk Officer. The CRO has direct access to the Risk and Audit Committee.

<sup>2</sup> Internal Capital Adequacy Assessment Process / Internal Liquidity Adequacy Assessment Process

## 10.5. Own Funds

The available level of total regulatory capital is €107.4 million. Its composition and reconciliation with book value of equity is the following:

Regulatory Own Funds	
Capital	83.5
Share Premium	10.1
Reserves	43.8
Results carried forward	-33.0
Net Loss	-8.1
<b>Book value of Equity</b>	<b>107.4</b>
CET1 Instruments	0.0
Intangible assets	-2.8
Insufficient coverage for non-performing exposures	-0.2
<b>CET1 Capital</b>	<b>93.4</b>
Other Tier 1 elements	0.0
<b>Tier 1 Capital</b>	<b>93.4</b>
Tier 2 Subordinated notes <sup>3</sup>	14.0
<b>Total Regulatory Capital</b>	<b>107.4</b>

<sup>3</sup> This subordinated note amounts to €14 million, it has a final maturity in February 2031. The interest rate is indexed quarterly based on the 3-months Euribor + 2.20%.

## 10.6. Capital requirements

**Pillar 1 Capital requirements are defined using the following regulatory methods:**

- **Credit Risk:** Standardised Approach,

- **Market Risk:** Standardised Approach,
- **Operational Risk:** Basic Indicator Approach

**When assessing Internal Capital Requirements (Pillar 2), the Bank takes into consideration:**

- Regulatory Capital Requirements (for risks covered under Pillar 1),
- Economic Capital (if calculated differently than regulatory capital requirements, and for significant risks which are not covered under Pillar 1),
- stress testing (if applicable)

Whenever possible, the Bank considers quantitative as well as qualitative approaches to measure risk.

For Credit Risk the Bank calculates Economic Capital requirements using the regulatory Internal Rating Based approach (IRB) formulas.

For Market Risk, the Bank calculates regulatory capital requirements. The Economic Capital requirement is set at the level of regulatory capital requirement.

**For Operational Risk, the Bank defines the internal capital requirement as an expert based fixed amount determined considering:**

- the level of regulatory capital requirements,
- last internal evaluation of capital requirements,
- the evolutions in business strategy, processes and controls

For Liquidity Risk, the Bank will evaluate Economic Capital consistently with the results of the Internal Liquidity Adequacy Assessment Process (ILAAP) stress testing procedures. The ILAAP ensures that the Bank could meet its obligations even in liquidity stress situations. The Economic Capital is then evaluated as the potential impact that the contingency funding plan would have on equity.

For Interest Rate Risk in the Banking Book (IRRBB), the Bank evaluates internal capital requirements based on the standardised set of scenarios defined by the EBA in its guidelines on the management of interest rate risk arising from non-trading book activities.

For other significant risks, the Bank will allocate a fixed expert based amount of Economic Capital.

When aggregating Economic Capital requirements on the level of the organisation, the Bank does not include diversification effects between risk types.

If the aggregation of Economic Capital requirements for all risks produces a result that is below regulatory capital requirements, then the Bank will keep the results of Regulatory Capital Requirements as Internal Capital Requirements.

**Capital requirements as of the end of 2024 are assessed taking into account the applicable Bank Specific SREP decision (SREP decision 2021 with Pillar 2 Requirement of 3.91% and Pillar 2 Guidance of 1.15%) and the combined buffer requirements (capital conservation buffer 2.50% and average countercyclical buffer 0.83%):**

Overall Capital Requirement (OCR) + Pillar 2 Guidance (P2G)	
CET1 Ratio	11.91%
T1 Ratio	15.24%
<b>Total Capital Ratio</b>	<b>16.39%</b>

#### Capital Adequacy Pillar 1 (€ million)

Credit RWAs	428.0
Credit Value Adjustment	1.2
Operational risk	53.4
Market risk	0.0
<b>Total Pillar 1 RWA</b>	<b>482.6</b>
Available CET 1 Capital	93.4
Available Tier 1 Capital	93.4
Available Total Capital	107.4
CET1 Ratio	15.75%
T1 Ratio	15.75%
<b>Total Capital Ratio</b>	<b>18.07%</b>

#### Credit Risk Risk Weighted Exposures by Exposure types (€ million)

Central governments or central banks	1.9
Institutions	27.2
Corporates	11.3
Retail	278.6
Secured by mortgages on immovable property	37.7
Non Performing Exposures	63.2
Other items	8.2
<b>Total Risk Weighted Exposures</b>	<b>428.1</b>

## 10.7. Exposure to counterparty credit risk

The derivatives portfolio is limited and used exclusively for ALM management. Most derivatives are covered by CSA's (Credit Support Annex). Aion Bank mainly uses Interest Rate Swaps (IRS), Forward Rate Agreements (FRA), currency swaps and Cross-Currency Interest Rate Swaps ("CIRS"). IRS transactions are only used to hedge part of its fixed-rate and long-term loan portfolio, which consists mainly of mortgage loans and investment loans. As of 31 December 2024, the outstanding IRS notional amount was €33 million compared to €38 million at the end of 2023.

The exposures under that method are composed of 2 elements: a) the current replacement cost and b) the potential future exposure, both multiplied by a factor of 1.4.

The Bank computes capital requirements for the CVA (Credit Valuation Adjustment) risk by application of the standardised method defined in CRR article 384.

Counterparty Credit Risk Exposures (€ million)	
Current replacement cost	2.0
Potential future exposure	2.5
<b>Total exposure to CCR<sup>4</sup></b>	<b>4.5</b>

<sup>4</sup> Included in Credit Risk Exposures

Counterparty Credit Risk RWA (€ million)	
Risk weighted exposure to CCR <sup>5</sup>	1.1
Credit Valuation Adjustment Exposure	2.2

<sup>5</sup> Included in Credit Risk RWA's

## 10.8. Capital buffers

Countercyclical Buffer (CCB) Exposures (€ million)		
Country	Countercyclical buffer rate	RWA on CCB Exposures
PL	0.00%	254.46
BE	1.00%	167.52
DK	2.50%	100.15
DE	0.75%	1.79
NL	2.00%	17.07
Other	various	16.05
<b>Total</b>	<b>0.83%</b>	<b>557.04</b>

**Based on the above exposure values, the following table identifies the Bank's countercyclical capital buffer requirement:**

Countercyclical Buffer Requirements	
Total risk exposure amount (€ million)	557.0
Institution specific countercyclical buffer rate	0.83%
Institution specific countercyclical buffer requirement (€ million)	4.0

## 10.9. Credit risk adjustments

The classification system groups credit exposures into two general classes: **Performing and Non Performing**. These two classes are then divided into subclasses:

### 10.9.1. Non Performing Exposures:

- a. **Defaulting (“Défaillant”)**: obligors with all balance sheet and off-balance sheet positions of a third party considered insolvent (even if not yet legally established) or is in a substantially similar situation,
- b. **Unlikely to Pay (“Défaut probable”)**: obligors for which it is considered unlikely that, without recourse to actions such as realisation of collateral, the debtor could fulfil its obligations in principal and / or interest,
- c. **Deteriorated Past Due Exposure**: obligors, other than those classified as Defaulting or in Unlikely to Pay, which at the reference date have past due obligation (beyond the materiality thresholds) for more than 90 days

### 10.9.2. Performing Exposures:

- a. **Non-deteriorated Past Due Exposure**: obligors, other than those classified as Defaulting, Unlikely to Pay or Deteriorated PDE, which at the reference date have past due obligation under the materiality thresholds or for less than 90 days,
- b. **Fully Performing**: 0 past due days in payment and not covered by any of the categories above

Those rules for classifications are considered as the minimum to be respected in order to have an efficient management of the non performing exposures. However, more restrictive rules can be applied.

Every non-performing category recognized on the obligor level is propagated on customers that constitute a grouped obligor (contagion effect).

The valuation process aims at determining the provisions for all clients with Non Performing credits. This evaluation can be carried out on the basis of two distinct methods, one statistical and the other analytic. The statistical approach is reserved for clients with exposures below a materiality threshold and without any tangible collateral. Other cases are treated based on the analytic approach.

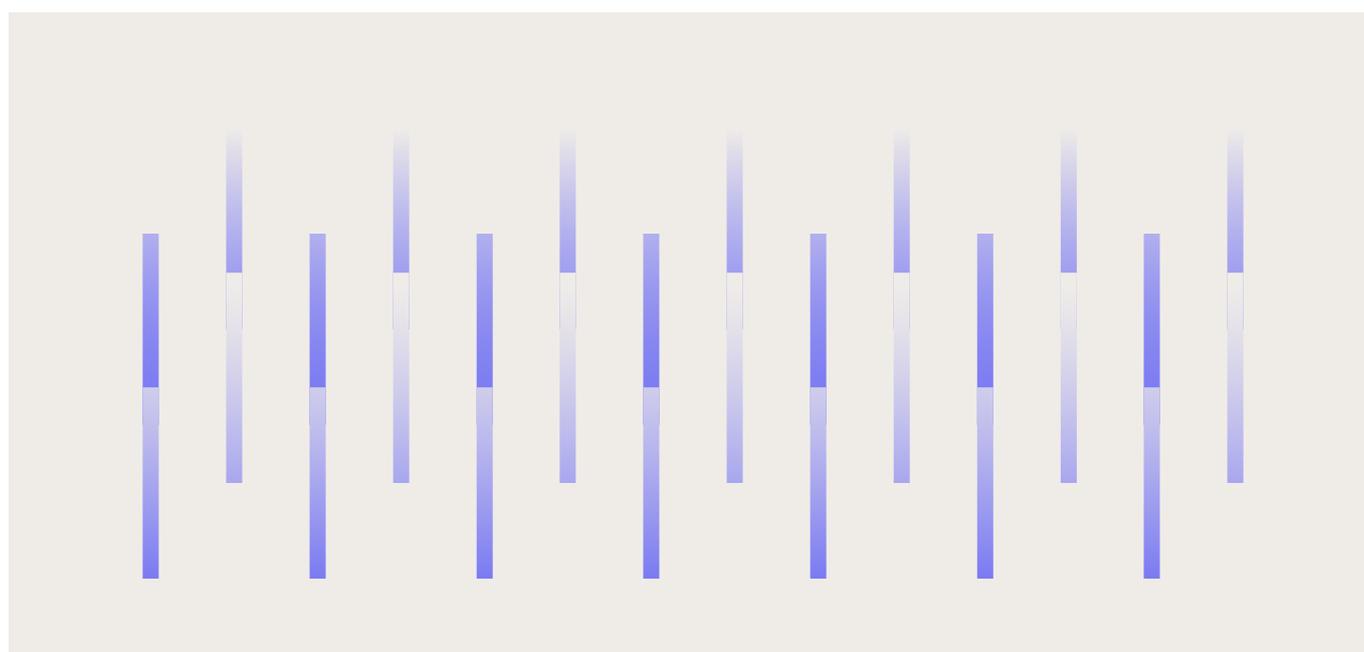
The analytical evaluation is carried out by the credit department. This evaluation must be performed when entering a non-performing status and is then updated whenever appropriate, following any relevant developments, or in any case periodically, at least once per quarter.

**In all cases, the evaluation should take into account all relevant information including:**

- a. the status of the client in the Central Credit Register,
- b. financial situation of the client,
- c. business surveys,
- d. potential new valuations,
- e. collaterals,
- f. any potential third-party buy-back offers,
- g. etc.

The following table shows the distribution of the exposures (net values of on-balance sheet and off-balance sheet items) as at 31 December 2024 by geographical distribution broken down by exposure classes:

Geographic Breakdown of Exposures (Net Exposures, € million)				
	Belgium	Other EU	Rest of the world	Total
Central governments or central banks	1024.11	153.47	0.00	<b>1177.58</b>
Regional governments or local authorities	1.57	0.00	0.00	<b>1.57</b>
Institutions	1.17	65.43	4.19	<b>70.79</b>
Corporates	9.24	6.24	1.60	<b>17.08</b>
Retail	35.35	465.62	0.30	<b>498.27</b>
Secured by mortgages on immovable property	71.82	30.03	1.90	<b>103.75</b>
Other items	8.06	0.00	0.01	<b>8.07</b>
Non Performing Exposures	42.73	17.20	1.03	<b>60.96</b>
<b>Total</b>	<b>1191.05</b>	<b>737.99</b>	<b>9.03</b>	<b>1,938.07</b>



### Credit Risk Adjustments (€ million)

Gross Performing Exposures	1,880.4
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Gross Non Performing Exposures	102.9
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Specific Provisions	-45.2
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Total Net Exposures (before GLLP)	1,938.1
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General Loan Loss Provision	0
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Total Net Exposures (after GLLP)	1,938.1
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### 10.10. Unencumbered assets

As of 31 December 2024 none of the Bank's assets were encumbered for TLTRO purpose. The Bank pledged only € denominated variation margin deposits as collaterals used in the settlement of derivative transactions.

### Encumbrance of the Bank's assets is as follows:

### Unencumbered assets (€ million)

Assets encumbered for TLTRO <sup>6</sup>	-
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Assets encumbered for other reasons	1.5
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<sup>6</sup> Targeted Long Term Refinancing Operations (TLTRO) programs from the European Central Bank.

### 10.11. Use of external credit assessment institutions (ECAI's)

#### The Bank uses the ratings of the following three rating agencies in determining the risk weights:

Standard & Poor's, Moody's and Fitch. The regulatory "second best" principle is applied by the Bank in case these agencies would attribute rating implying different risk weights.

#### Given its customer base, most exposure types for which ECAI's assessments are used are:

- Central Governments
- Local Governments
- Banks

### 10.12. Exposure to market risk

#### In line with CRR, for the purpose of capital adequacy calculation the Bank distinguishes separately:

- market risk for trading book,
- interest rate risk in banking book (IRRBB) and
- liquidity risk which is not treated as market risk in line with CRR definition

Risk management process for the above mentioned risks consists of: identification of risk, risk measurement, risk control, risk monitoring, risk reporting.

Risk management process for the above mentioned risks consists of: identification of risk, risk measurement, risk control, risk monitoring, risk reporting.

Risk management process is organized on three lines of defence system. The first line of defence consists of risk-taking units, responsible for the first level of control, which is the Treasury Department. The second line of defence consists of Risk Management units, responsible among others for monitoring adherence to quantitative limits in the Bank. The third line of defence consists of the Internal Audit Function.

From the perspective of capital needs, the Bank does not need to hold capital for market risk, since it does not have any 'trading book', nor holds any significant foreign currency position.

### 10.13. Operational risk

The operational risk management in the Bank is realized in line with the policy approved by the Board of Directors. The main goal of the operational risk management is to keep risk within the limits set in Operational Risk Appetite.

The Operational Risk Management System in the Bank consists of identification of operational risk present in the Bank, operational risk assessment, operational risk measurement, operational risk monitoring process, operational risk reporting.

With respect to capital adequacy, the Bank calculates its capital requirement using the Basic Indicator Approach as defined in Article 315 of the CRR. The own funds requirement amounts to 15% of the average three years of the relevant indicator, as defined in Article 316 of the CRR.

### 10.14. Remuneration policy

#### 10.14.1. Governance

The purpose of the Remuneration Policy is to regulate the remuneration mechanisms within Aion Bank with a view to promoting sound and effective risk management while not encouraging any risk taking that would exceed the level of risk, tolerated by Aion Bank, this while promoting the objectives and long-term interests of Aion Bank and the absence of conflicts of interest.

The principles and terms and conditions of the Remuneration Policy apply to Aion Bank and its Belgian and foreign subsidiaries and branches (together with Aion Bank), as well as to its staff members, regardless of their employment status (including employees and self-employed persons).

Given its size and in accordance with article 30 of the Banking Law, the Bank has decided not to create a Remuneration Committee. The tasks conferred to the Remuneration Committee by the Banking Law, and by

any policies adopted by the Bank prior to the change of control over the Bank in 2019, are exercised by the Board of Directors.

#### 10.14.2. Identified staff

Aion Bank has taken into account the specific requirements for identified Aion Bank personnel: art. 67 of the Act of 25 April 2014 on the status of credit institutions and their supervision and Delegated Regulation 923/2021

#### 10.14.3. Selection process

**In the identification process, Aion Bank applied the following criteria:**

- a. the members of the Board of Directors of AION;
- b. the members of the Management Committee of AION;
- c. the Staff members who head an independent control function (independent risk management function, compliance function or internal audit function);
- d. the Staff members whose functions (are deemed to) have a material impact on AION's risk profile as determined in accordance with the qualitative criteria set out in the Commission Delegated Regulation 2021/923;
- e. the Staff members whose total remuneration exceeds the thresholds determined in accordance with the quantitative criteria set out in the Delegated Regulation 2021/923, unless the professional activities of the Staff member do not have a material impact on AION's risk profile;
- f. the Staff members whose professional activities are considered by AION as having a material impact on its risk profile, based on potential additional specific criteria as determined by AION where appropriate.

#### 10.14.4. Specific rules (risk alignment, deferral, instruments)

**Derogation from the requirements to defer the vesting and payment of 40% of the Variable Remuneration and to pay 50% of the Variable Remuneration in the form of shares or share-linked instruments, where variable remuneration is granted - which is not the case at the time of this Remuneration Policy.**

Because AION is an institution that is not a large institution as defined in point 146 of Article 4(1) of Regulation (EU) No 575/2013, and (ii) the value of its assets is on average and on an individual basis in accordance with this Directive and Regulation (EU) No 575/2013 equal to or less than EUR 5 billion over the four-year period immediately preceding the current financial year, AION benefits from the derogation introduced by CRD V and implemented in the Banking Act in Article 9/1 of Annex II and the National Bank of Belgium's Circular n°2021\_30 ("the Derogation").

**In accordance with the Derogation, the Variable Remuneration of an Identified Staff shall not be subject to the requirements set out in the following Articles of Annex II of the Banking Act:**

- **Article 6**, according to which at least 50 % of any variable remuneration for an Identified Staff shall consist of shares or share-linked instruments;
- **Article 7**, according to which at least 40 %, of the variable remuneration component for an Identified Staff is deferred over a period which is not less than four to five years; and
- **Article 9**, §2, according to which, if an Identified Staff leaves the Bank before retirement, discretionary pension benefits shall be held by the Bank for a period of five years in the form of

shares or share-linked instruments; and Article 9, §3, according to which, where an Identified Staff reaches retirement, discretionary pension benefits shall be paid to the employee in the form of shares or share-linked instruments subject to a five-year retention period.

In accordance with section 7 of the Policy, the Board of Directors of AION, with support of the Remuneration Committee and the Independent control functions shall regularly [and at least each quarter] assess whether AION still meets the criteria to benefit from the Derogation.

It is specified that the Derogation does not concern the principles applicable for all staff, nor the principles applicable to Identified Staff relating to the evaluation criteria for the Variable Remuneration, the ratio between Fixed Remuneration and Variable Remuneration, the ex-ante risk adjustments, nor the ex-post risk adjustments.

In addition, AION reserves the right, where circumstances justify it, to apply specific vesting periods to Variable Remuneration.

#### 10.15. Leverage

The CRR requires financial institutions to calculate a non-risk based leverage ratio, to supplement risk based capital requirements. The leverage ratio is a non-risk based rule to limit leveraged financing and constrain the build-up of excessive leverage.

The Bank monitors the leverage ratio closely. As part of the Risk Appetite Framework, the leverage ratio is one of the indicators that are systematically included in the periodic reports to the management and to the Board (through the Risk and Audit Committee).

At the end of the financial year 2024, the leverage decreased slightly to the level of 5.18% (7.22% in 2023).

**Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (€ million)**

1	Total assets as per published financial statements	1,773.1
2	Adjustments for derivative financial instruments	6.3
3	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	27.3
4	Other adjustments	-3.0
<b>5</b>	<b>Leverage ratio total exposure measure</b>	<b>1,803.7</b>

**Table LRCom: Leverage ratio common disclosure (€ million)**

**On-balance sheet exposures (excluding derivatives and SFTs)**

1	On-balance sheet items	1,773.1
2	(Asset amounts deducted in determining Tier 1 capital)	-3.0
<b>3</b>	<b>Total on-balance sheet exposures (sum of lines 1 and 2)</b>	<b>1,770.1</b>

**Derivative exposures**

4	Replacement cost associated with all derivatives transactions	0.8
5	Add-on amounts for PFE associated with all derivatives transactions	5.5
<b>11</b>	<b>Total derivatives exposures (sum of lines 4 to 10)</b>	<b>6.3</b>

**Other off-balance sheet exposures**

17	Off-balance sheet exposures at gross notional amount	158.7
18	(Adjustments for conversion to credit equivalent amounts)	-131.4
<b>19</b>	<b>Other off-balance sheet exposures (sum of lines 17 and 18)</b>	<b>27.3</b>

**Capital and total exposure measure**

<b>20</b>	<b>Tier 1 capital</b>	<b>93.4</b>
<b>21</b>	<b>Leverage ratio total exposure measure (sum of lines 3, 11 and 19)</b>	<b>1,803.7</b>

**Leverage ratio**

<b>22</b>	<b>Leverage ratio</b>	<b>5.18%</b>
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Table LRSpl: Split-up of on balance sheet exposures (excl. derivatives, SFTs and exempted exposures)

<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>1,773.1</b>
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	1,773.1
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	1179.5
EU-6	Exposures to regional gov., MDB, intern. org. and PSE not treated as sovereigns	1.5
EU-7	Institutions	62.4
EU-8	Secured by mortgages of immovable properties	103.6
EU-9	Retail exposures	346.1
EU-10	Corporate	14.0
EU-11	Exposures in default	54.0
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	12.0

## 11. Historical Prepayments of mortgage loans

Below we present disclosures as defined in circular NBB\_2021\_20, for 2024-12-31. All numbers are in EUR

TABLE 1.1 - MICRO FAIR VALUE HEDGES

Financial instruments	Notional amounts		Market value (A)	Balance sheet value (B)	Of which pro-rata interest		(A-B)
	To be delivered	To be received			Assets	Liabilities	
-	-	-	-	-	-	-	-

We do not have such positions.

**TABLE 1.2 - MICRO CASH FLOW HEDGES**

Financial instruments	Notional amounts		Market value (A)	Balance sheet value (B)	Of which pro-rata interest		(A-B)
	To be delivered	To be received			Assets	Liabilities	
-	-	-	-	-	-	-	-

We do not have such positions.

**TABLE 2.1 - MACRO FAIR VALUE HEDGES**

Financial instruments	Notional amounts		Market value (A)	Balance sheet value (B)	Of which pro-rata interest		(A-B)
	To be delivered	To be received			Assets	Liabilities	
IRS	-33,413,955.40	33,413,955.40	-1,585,443.23	-51,740.05	339,472.12	-391,212.17	-1,533,703.18

**Amount of ineffectiveness not recognised in the income statement at the financial statements closing date:**  
8,330.00€.

The ineffectiveness is calculated as the sum of the yearly change in the clean price of the hedging portfolio and the yearly change in the clean price of the bottom layer of the hedged portfolio which is proxied as equal to the payable fixed leg of the hedging swaps portfolio. Both clean prices are expressed net of the notional amount to eliminate the effect of contractual amortisation.

**TABLE 2.2 - MACRO CASH FLOW HEDGES**

Financial instruments	Notional amounts		Market value (A)	Balance sheet value (B)	Of which pro-rata interest		(A-B)
	To be delivered	To be received			Assets	Liabilities	
-	-	-	-	-	-	-	-

The Bank does not have such positions.

**TABLE 3.1 - TRANSACTIONS REFERRED TO IN § 4, 3° - INSTRUMENTS THAT REMAIN PART OF THE INSTITUTION'S ASSETS**

Suspense account		<= 3 months	> 3 months <= 1 year	> 1 year <= 5 year	>= 5 years	Total
Assets	Micro	-	-	-	-	-
	Macro	-	-	-	-	-
Liabilities	Micro	-	-	-	-	-
	Macro	-	-	-	-	-

The Bank does not have such positions.

**TABLE 3.2. - TRANSACTIONS REFERRED TO IN § 4, 4° - INSTRUMENTS THAT ARE NO LONGER PART OF THE INSTITUTION'S ASSETS**

Suspense account		<= 3 months	> 3 months <= 1 year	> 1 year <= 5 year	>= 5 years	Total
Assets	Micro					
	Macro					
Liabilities	Micro					
	Macro					

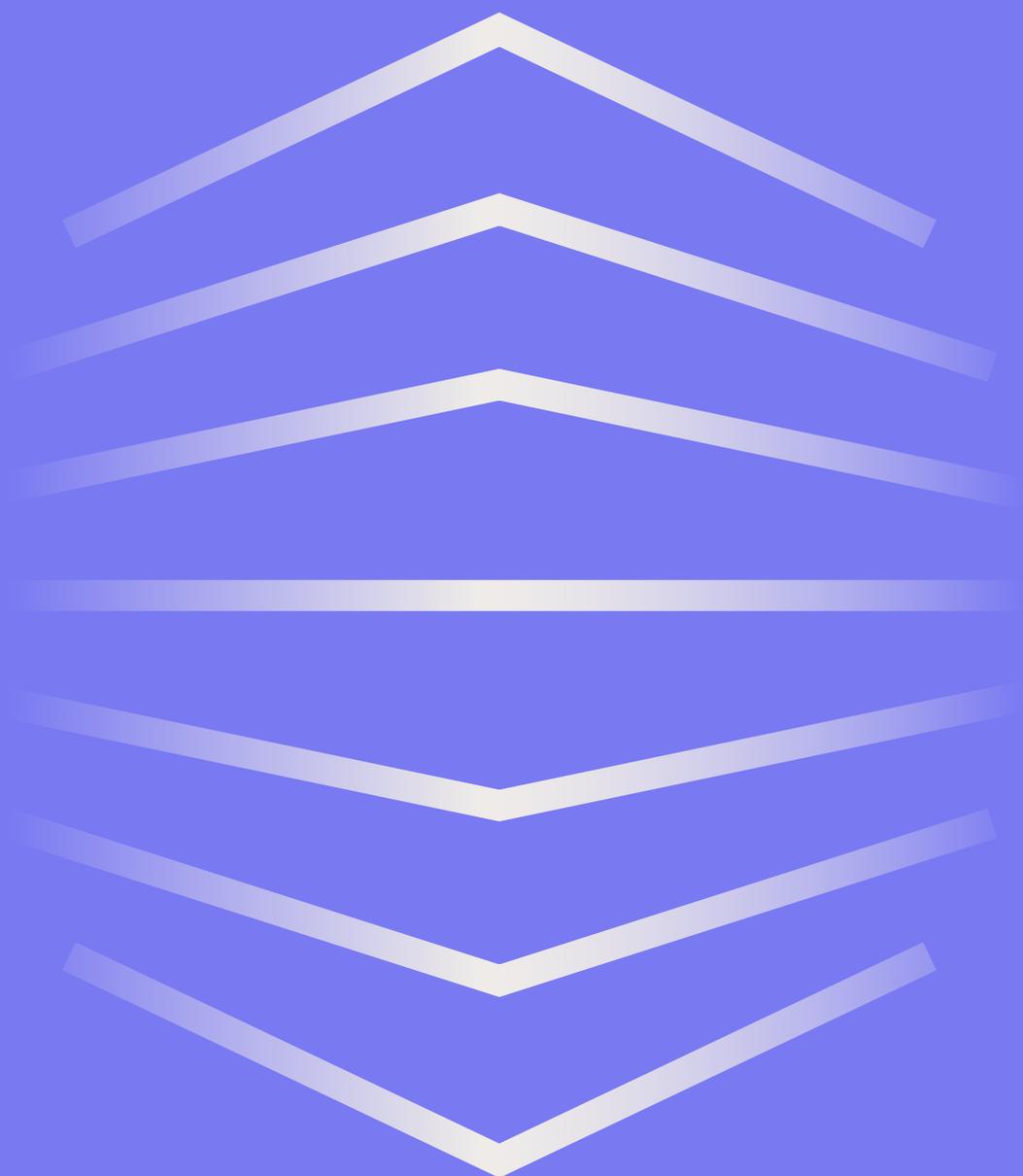
The Bank does not have such positions.

**TABLE 4 - TRANSACTIONS INTENDED TO MANAGE INTEREST RATE RISK WITHOUT TAKING ON ADDITIONAL RISK, CONCLUDED WITH A SPECIAL PURPOSE VEHICLE CONSOLIDATED BY THE CREDIT INSTITUTION**

Financial instruments	Notional amounts		Market value (A)	Balance sheet value (B)	Of which pro-rata interest		(A-B)
	To be delivered	To be received			Assets	Liabilities	
-	-	-	-	-	-	-	-

The Bank does not have such positions.

# 12. Financial statements (Schema B)



# Financial statements (Schema B)

<b>10</b>				<b>9</b>	<b>EUR</b>	
NAT.	Date of filing	N°	P.	E.	D.	C-et 1.1

## ANNUAL ACCOUNTS IN EUR THOUSANDS OF EUROS<sup>3</sup>

NAME: AION BANK S.A

Legal form<sup>1</sup>: Limited company

Address: Square Victoria Régina

Postal code: 1210

Country: Belgium

Register of Legal Persons (RPM) - Brussels Enterprise Court

Internet address<sup>2</sup> : <http://www.aion.be>

N° :1

Commune: Bruxelles

Company number	0403.199.306				
DATE	16/04/2025	of the most recent document mentioning the date of publication of the proceedings and amending the Articles of Association.			
ANNUAL ACCOUNTS approved by the general assembly of the	26/06/2025				
and relating to the financial year covering the period from	01/01/2024	at	31/12/2024		
Previous fiscal year from	01/01/2023	at	31/12/2023		

Amounts relating to the previous financial year **are/ are not**<sup>4</sup> identical to those previously published.  
Model annual account which derogates from that provided for in the R.D. of 29 April 2019 under<sup>5</sup> :

### LIST OF DIRECTORS, MANAGERS AND STATUTORY AUDITORS

COMPLETE LIST of surname, forenames, profession, address (address, number, postcode and municipality) and position within the company

**Mrs . Kathleey RAMSEY, Director – Bakkerstraat 21, Landskouter – 9860 BELGIUM - from 01.11.2023 to 11.06.2026**

**Mr Niels LUNDORFF, Director – Rue de la Montagne 52d - 1000 BRUSSELS - from 14.06.2022 to 11.06.2025**

**Guido Ravoet, Independent Director- De Stolberglaan 1 - 3080 TERVUREN - from 14.06.2022 to 11.06.2025**

**Tom Boedts, Director – Notelaarstraat 330 – 1030 BRUSSEL - from 14.06.2022 to 11.06.2025**

### Certified Statutory Auditor

**KPMG Belgium BV**

**Luchthaven Brussel Nationaal 1K, 1930 Zaventem Belgium**

**Term of office 06.03.2025 - 10.06.2025**

**Represented directly or indirectly by Nolf Stephane, Lucas Melissa**

**Luchthaven Brussel Nationaal 1K, 1930 Zaventem, Belgium**

Total number of pages submitted: 126 Numbers of the sections of the standardised document not submitted because they do not contain any information

Signature  
(name and quality)

Signature  
(name and quality)

1 (Where appropriate, the words 'in liquidation' are added to the legal form).

2 (Optional)

3 If necessary, adapt the currency and unit in which the amounts are expressed

4 (Delete as appropriate).

5 (Mention of the legal or regulatory basis justifying the use of an exceptional model).

**DECLARATION CONCERNING AN ADDITIONAL VERIFICATION OR ADJUSTMENT ASSIGNMENT**

The management body declares that no audit or adjustment assignment has been entrusted to a person who is not authorised to do so by law, pursuant to article 5 of the law of 17 March 2019 on the professions of chartered accountant and tax advisor.

The annual accounts **have / have not**<sup>6</sup> been audited or corrected by an external accountant, by an auditor who is not the statutory auditor.

If so, the table below should include: surname, first names, profession and place of residence; membership number with the institute and the nature of the assignment:

- A. Company accounts<sup>7\*\*</sup>;
- B. Preparation of annual accounts<sup>\*\*</sup>;
- C. Audit of the annual accounts and/or
- D. Adjustment of the annual accounts.

If the tasks referred to under A. or B. have been carried out by chartered accountants or tax accountants, the following may be mentioned: the surname, first names, profession and place of residence of each chartered accountant or tax accountant and his membership number with the Institute of Tax Advisers and Chartered Accountants (ICE), as well as the nature of his task.

Full name, profession, address	Member number	Nature of the mission (A, B, C and/or D)

6\* Delete as appropriate.

7\*\* Optional.

**BALANCE SHEET AFTER DISTRIBUTION**

	Ann.	Codes	Exercise	Previous financial year
<b>ASSETS</b>				
I. Cash, balances with central banks and post office cheque offices		10100	972.027	388.648
II. Government securities eligible for central bank refinancing		10200	0	0
III. Receivables to credit institutions	5.1	10300	92.215	22.775
A. At sight		10310	16.234	15.003
B. Other receivables (term or notice)		10320	75.981	7.742
IV. Receivables from customers	5.2	10400	520.281	665.076
V. Bonds and other fixed-income securities	5.3	10500	178.021	165.979
A. From public issuers		10510	130.140	124.162
B. From other issuers		10520	47.881	41.827
VI. Shares, shares in companies and other variable-income securities	5.4	10600		
	5.5	10700	18	20
VII. Financial fixed assets	5.6.1	10710	0	4
A. Investments in associates				
B. Investments in other companies linked by virtue of a participating interest		10720		
C. Other shares and units constituting financial fixed assets		10730	18	16
D. Subordinated claims on affiliated companies and other companies linked by virtue of participating interests		10740		
VIII. Formation expenses and intangible assets	5.7	10800	2.839	4.491
IX. Tangible assets	5.8	10900	261	4
X. Treasury shares		11000		
XI. Other assets	5.9	11100	7.793	23.163
XII. Accruals and deferred income	5.10	11200	11.714	13.710
<b>TOTAL ASSETS</b>		<b>19900</b>	<b>1.785.169</b>	<b>1.283.866</b>

	Ann.	Codes	Exercise	Previous financial year
<b>LIABILITIES</b>				
THIRD-PARTY FUNDS		201/208	<u>1.688.779</u>	<u>1.183.349</u>
I. Amounts owed to credit institutions	5.11	20100	14.048	2.832
A. At sight		20110	11.614	2.832
B. Debts resulting from the rediscounting of bills of exchange		20120		
C. Other debts with agreed terms or periods of notice		20130	2.435	0
II. Amounts owed to customers	5.12	20200	1.616.031	1.124.842
A. Savings deposits		20210	120.961	166.434
B. Other debts		20220	1.495.070	958.409
1. At sight		20221	1.470.061	892.562
2. At term or with notice		20222	25.009	65.847
3. Result of mobilization by rediscount of commercial bills of exchange		20223		
III. Debts evidenced by certificates	5.13	20300	0	0
A. Bonds and notes outstanding		20310	0	0
B. Others		20320		
IV. Other debts	5.14	20400	29.115	24.535
V. Accruals and deferred income	5.15	20500	10.584	12.293
VI. Provisions and deferred taxes		20600	5.001	4.847
A. Provisions for liabilities and charges		20610	5.001	4.847
1. Pensions and similar obligations		20611	437	446
2. Taxes		20612		
3. Other liabilities and charges	5.16	20613	4.564	4.401
B. Deferred Taxes		20620	0	0
VII. Fund for general banking risks		20700	0	0
VIII. Subordinated debts	5.17	20800	14.000	14.000
SHAREHOLDER EQUITY		209/213	<u>96.389</u>	<u>100.517</u>
IX. Capital	5.18	20900	83.541	79.541
A. Subscribed capital		20910	83.541	79.541
B. Uncalled capital		20920		
X. Share premiums		21000	10.142	10.142
XI. Revaluation gains		21100		
XII. Reserves		21200	43.859	43.859
A. Legal reserve		21210	5.026	5.026
B. Unavailable reserves		21220	745	745
1. For treasury shares		21221		
2. Others		21222	745	745
C. Immunized reserves		21230		
D. Available reserves		21240	38.088	38.088
XIII. Retained Earnings (Loss)	(+)/(-)	21300	-41.153	-33.025
<b>TOTAL LIABILITIES</b>		<b>29900</b>	<b>1.785.169</b>	<b>1.283.866</b>

	Ann.	Codes	Exercise	Previous financial year
<b>OFF-BALANCE-SHEET ITEMS</b>				
I. Contingent liabilities	5.22	30100	3.794	5.090
A. Non-negotiated acceptances		30110		
B. Guarantees of a credit substitute nature		30120		
C. Other guarantees		30130	3.794	5.090
D. Documentary credits		30140		
E. Assets subject to third-party security rights		30150		
II. Commitments that may give rise to credit risk	5.22/ 5.24	30200	2.503	190.226
A. Firm commitments to make funds available		30210		
B. Commitments arising from cash purchases of securities or other securities		30220		
C. Available line of credit on confirmed lines of credit		30230	2.503	190.226
D. Underwriting and securities underwriting commitments		30240		
E. Repurchase commitments resulting from imperfect retrocession sales		30250		
III. Securities entrusted to the credit institution		30300	140.965	92.946
A. Securities held under organized trust status		30310		
B. Overdrafts and similar deposits		30320	140.965	92.946
IV. To be paid up on shares and shares in companies		30400		

**INCOME STATEMENT (presentation in list form)**

	Ann.	Codes	Exercise	Previous financial year
I. Interest and similar income	5.23	40100	111.316	57.453
A. Of which: fixed-income securities		40110	4.845	5.770
II. Interest expense		40200		
III. Income from variable-income securities	5.23	40300	0	0
A. Shares in companies and other variable-income securities		40310		
B. Investments in affiliated undertakings		40320		
C. Holdings in other companies with which there is a participating interest		40330		
D. Other company shares constituting financial fixed assets		40340	0	0
IV. Commissions received	5.23	40400	32.106	29.315
A. Brokerage and related commissions		40410		
B. Remuneration for management, advisory and custodial services		40420	12.005	10.923
C. Other commissions received		40430	20.100	18.392
V. Commissions paid		40500		
VI. Profit (Loss) on financial operations (+)/(-)	5.23	40600	2.869	2.900
A. Foreign exchange and trading in securities and other financial instruments		40610	2.789	2.799
B. Realisation of investment securities		40620	80	101
VII. Administrative overheads		40700		
A. Remuneration, social security charges and pensions		40710		
B. Other administrative expenses		40720		
IX. Write-downs on receivables and provisions for "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" in the off-balance sheet: charges (reversals) (+)/(-)		40900	17.630	18.515
X. Write-downs on investments in bonds, equities and other fixed- or variable-income securities: charges (reversals) (+)/(-)		41000		

XI. Provisions for liabilities and charges other than those referred to under "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" in the off-balance sheet: uses (reversals) (+)/(-)		41100	1.815	1.485
XII. Provisions for liabilities and charges other than those referred to under "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" in the off-balance sheet statement		41200		
XIII. Transfer from (to) the reserve for general banking risks (+)/(-)		41300		
XIV. Other operating income	5.23	41400	1.933	775
XV. Other operating expenses	5.23	41500		
XVI. Profit (Loss) on ordinary activities before tax (+)/(-)		41600		
XVII. Extraordinary income		41700	0	0
A. Reversals of amortisation and impairment of intangible assets and property, plant and equipment		41710		
B. Reversal of impairment losses on long-term investments		41720		
C. Reversals of provisions for exceptional liabilities and charges		41730		
D. Gains on disposal of fixed assets		41740		
E. Other exceptional income	5.25	41750		
XIX. Profit (Loss) for the year before tax (+)/(-)		41910		
XIXbis.A. Transfer to deferred tax		41921		
B. Deductions from deferred tax		41922		
XX. Income tax (+)/(-)	5.25	42000		
A. Taxes		42010		
B. Tax adjustments and reversals of tax provisions		42020	75	1.951
XXI. Profit (Loss) for the year (+)/(-)		42100		-8.228
XXII. Transfer to (from) untaxed reserves (+)/(-)		42200		
XXIII. Profit (Loss) for the year available for appropriation (+)/(-)		42300	-8.128	-8.228

**INCOME STATEMENT (presentation in account form)**

	Ann.	Codes	Exercise	Previous financial year
<b>COSTS</b>				
II. Interest and similar charges		40200	83.961	29.638
V. Commissions paid		40500	27.198	30.604
VI. Loss on financial transactions (-)		40600	66	184
A. Foreign exchange and trading of securities and other financial instruments (-)		40610	66	184
B. Realisation of investment securities (-)		40620		
VII. Administrative overheads		40700	30.683	27.200
A. Remuneration, social security charges and pensions		40710	20.370	15.014
B. Other administrative expenses		40720	10.313	12.186
VIII. Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets		40800	2.601	2.032
IX. Write-downs on receivables and provisions for "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" off-balance sheet items (-)		40900	20.083	21.293
X. Write-downs on investments in bonds, equities and other fixed- or variable-income securities (-)		41000		
XII. Provisions for liabilities and charges other than those covered by items "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" of the off-balance sheet items		41200	2.341	1.752
XIII. Transfer to reserve for general banking risks (+)/(-)		41300		
XV. Other operating expenses	5.23	41500	7.275	7.322
XVIII. Extraordinary expenses		41800	1.662	598
A. Exceptional depreciation and write-downs on formation expenses, intangible assets and property, plant and equipment		41810		
B. Write-downs on financial fixed assets		41820		
C. Provisions for exceptional liabilities and charges: allocations (uses)(+)/(-)		41830		
D. Losses on disposal of fixed assets		41840		
E. Other exceptional expenses	5.25	41850	1.662	598
XIXbis.A. Transfer to deferred taxes		41921		
XX.A. Taxes(-)	5.26	42010		
XXI. Profit for the year		42100		
XXII. Transfer to untaxed reserves (-)		42200		
XXIII. Profit for the year available for appropriation		42300		

	Ann.	Codes	Exercise	Previous financial year
<b>PRODUCTS</b>				
I. Interest and similar income	5.23	40100	111.316	57.453
A. Of which: fixed-income securities		40110	4.845	5.770
III. Income from variable-income securities	5.23	40300	0	0
A. Shares in companies and other variable-income securities		40310		
B. Investments in affiliated undertakings		40320		
C. Holdings in other companies with which there is a participating interest		40330		
D. Other company shares constituting financial fixed assets		40340	0	0
IV. Commissions received	5.23	40400	32.106	29.315
A. Brokerage and related commissions		40410		
B. Remuneration for management, advisory and custodial services		40420	12.005	10.923
C. Other commissions received		40430	20.100	18.392
VI. Profit on financial transactions	5.23	40600	2.869	2.900
A. Foreign exchange and trading in securities and other financial instruments		40610	2.789	2.799
B. Realisation of investment securities		40620	80	101
IX. Write-backs of amounts written off receivables and write-backs of provisions for items "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" off-balance sheet items		40900	17.630	18.515
X. Reversals of impairment losses on the portfolio of investments in bonds, equities and other fixed- or variable-income securities		41000		
XI. Uses and reversals of provisions for liabilities and charges other than those referred to under "I. Contingent liabilities" and "II. Commitments that may give rise to a credit risk" in the off-balance sheet statement		41100	1.815	1.485

XIII. Withdrawal from the fund for general banking risks		41300		
XIV. Other operating income	5.23	41400	1.933	775
XVII. Extraordinary income		41700		
A. Reversals of amortisation and impairment of intangible assets and property, plant and equipment		41710		
B. Reversal of impairment losses on long-term investments		41720		
C. Reversals of provisions for exceptional liabilities and charges		41730		
D. Gains on disposal of fixed assets		41740		
E. Other exceptional income	5.25	41750		
XIXbis.B. Deductions from deferred taxes		41922		
XX.B. Tax adjustments and reversals of tax provisions	5.26	42020	75	1.951
XXI. Loss for the year		42100		8.228
XXII. Withdrawals from untaxed reserves		42200		
XXIII. Loss for the year available for appropriation		42300	8.128	8.228

## ALLOCATIONS AND WITHDRAWALS

	Codes	Exercise	Previous financial year
A. Profit (Loss) to be allocated (+)/(-)	49100	-8.128	-8.228
1. Profit (Loss) for the accounting year available for allocation (+)/(-)	(42300)	-8.128	-8.228
2. Profit (Loss) brought forward from the previous accounting year (+)/(-)	(21300P)	-33.025	-24.797
B. Drawings from shareholder's equity	49200		
1. On capital and share premiums	49210		
2. On the reserves	49220		
C. Allocations to shareholder's equity	49300		
1. To capital and share premiums	49310		
2. To the legal reserve	49320		
3. To other reserves	49330		
D. Profit (Loss) to be carried forward(+)/(-)	49400	-41.153	-33.025
E. Involvement of partners in the loss	49500		
F. Distributable profit	49600		
1. Return on capital	49610		
2. Directors or managers	49620		
3. Other recipients	49630		

# 13. Accounting policies and evaluation rules

[Redacted]

## Introduction

1. The valuation rules are set by the Board of Directors in accordance with the provisions of the Royal Decree of 23.09.1992 concerning the annual accounts of credit institutions.
2. Accounting Policy and Valuation Rules apply to all branches of the Bank and are the basis for the statutory reports of Aion Bank as well as the reports prepared for the Belgian Central Bank.
3. The principles described in this document are intended to present a clear and fair economic picture of the products offered by the Bank.
4. Accounting Policy and Valuation Rules are prepared based on Belgian GAAP rules.
5. The Accounting Policies are also adapted to the handling of Banking As A Service products, which are the Bank's core strategy ensuring their balance sheet recognition and measurement in accordance with the BEGAAP standard.

### 13.1 General accounting principles

#### 13.2.1. In order to present its assets and financial situation clearly and fairly, the Bank undertakes to keep its accounts on the basis of the following accounting general principles:

- **The principle of continuity** - economic operations in successive years are grouped in the accounts in a uniform manner. The valuation of assets and liabilities, including depreciation and amortisation, and the determination of the financial result are carried out in the subsequent financial years according to the same principles. Assets and liabilities shown in the closing balance sheet are recognised at the same amount in the opening balance sheet of the following financial year.
- **Materiality principle** - the purpose of the materiality principle is to ensure that all events relevant to the assessment of the Bank's assets and financial position and the financial result are properly identified and grouped in the Bank's books.
- **Going concern principle** - in valuing assets and liabilities and determining the financial result, it is assumed that the Bank will continue its business activities in the foreseeable future in a not materially reduced scope, without going into liquidation or bankruptcy.
- **Prudent valuation principle** - individual assets and liabilities are valued using the prices (costs) actually incurred for their acquisition (production), while observing the prudence principle. In particular, for this purpose, the financial result, regardless of its amount, should take into account:
  - decreases in the value in use of assets, including those made in the form of write-downs and depreciation only
  - unquestionable other operating income and extraordinary gains,
  - all other operating costs and extraordinary losses incurred,
  - provisions for known risks, impending losses and effects of other events.
- **Principle of accrual and commensurability of income with costs** - the Bank's financial result includes all income earned /received/ and attributable to a given period, as well as costs related to such income, regardless of the date of payment. In order to ensure that revenues and related costs are commensurate, the assets or liabilities of a given reporting period include costs or revenues pertaining to future periods and costs attributable to a given reporting period which have not yet been incurred.
- **The no-offset principle** - the principle is based on the separate determination of the value of individual assets and liabilities, revenues and related costs and extraordinary gains and losses. It is not permitted to offset the values of different types of assets and liabilities, revenues and related costs and extraordinary profits and losses.

### 13.2 Conversion of foreign currency transactions

1. The accounting records of operations carried out in foreign currencies are reflected in the balance sheet and/or profit and loss account in foreign currency and in EUR.
2. Foreign exchange accounting principles reflect the course of foreign exchange transactions, determine the impact of individual transactions on the Bank's financial result and control the risks arising from open positions in each currency.
3. Assets and liabilities and off-balance-sheet liabilities denominated in foreign currencies are shown in EUR after translation at the average exchange rate announced by the President of the National Bank of Belgium as at the balance-sheet date. Where a provision has been made for receivables or liabilities denominated in foreign currency, the provision is also translated, subject to the description above.
4. Technical accounts 174-5-01-01-000 - Foreign Exchange Position and account 174-5-01-02-000 - Equivalent of Foreign Exchange Position are dedicated to record the transactions made in foreign currency. An entry in the 174-5-01-01-000 currency account is made at the same time as the corresponding entry in the 174-5-01-02-000 account in the base currency for the branch. The result from the valuation of balance sheet items is recorded in account 440-1-01-01-000 - Income from fx- revaluation - foreign exchange transactions.
5. Each foreign currency transaction, converted to the branch's base currency for local mandatory reporting purposes, is separately valued to the Euro (the base currency of the Belgian branch). The valuation of the branches' currency position is described in a separate operating procedure.

6. The Bank keeps analytic records for the 174-5-01-01-000 - Foreign Exchange Position account by currency type. The 174-5-01-02-000 - Equivalent of Foreign Exchange Position account is used to record the base currency equivalent of foreign currency transactions and to record exchange rate differences arising from the translation of foreign currency account balances.
7. The Bank keeps foreign exchange records of off-balance sheet operations. The valuation of current (SPOT) and forward (FRWD, SWAP) off-balance sheet transactions is recorded by the Bank in the profit and loss account.
8. The revaluation off-balance sheet positions are done daily by the independent dedicated system (Opics) and booked automatically to GL.
9. At the end of the off-balance sheet transaction, the valuation is reversed.

### 13.3 Recognition and Valuation rules of the main balance sheet items

1. Bank uses of financial instruments when it is relevant to the valuation of its assets, liabilities, loss of financial position or profits.
2. The Bank's policy on the use of financial instruments is set out in the "Investment Policy" adopted by the Executive Committee to implement the overall strategy defined by the Board of Directors.
3. The implementation of this policy is controlled in accordance with the three lines of defense system and monitored by the ALM Committee.
4. The Bank's derivative activities are limited and are used exclusively for hedging purposes. These are mainly interest rate swaps and foreign exchange transactions. It should be noted that Aion Bank

mainly uses IRS redemption transactions to hedge the interest rate risk of its fixed-rate loan portfolio.

5. Front-office activities are subject to a system of limits set out in the Market, Exchange Rate, Liquidity and Counterparty Risk Policy adopted by the Executive Committee to implement the Risk Management Framework defined by the Board of Directors. These limits relate to the type of transaction (interest rate product, foreign exchange product) and the type of product (IRS, foreign exchange forward contracts) and the volume of operations.

### 13.3.1. Cash and cash equivalents

1. Cash and cash equivalents from the point of view of the cash flow statement - cash and cash equivalents consist of cash (cash in hand and at the Central Bank) and cash equivalents, which include balances on current accounts and overnight deposit accounts with other banks.
2. Cash and cash equivalents are valued at nominal value, and if their value is expressed in a foreign currency, they are translated at the NBB exchange rate prevailing at the balance sheet date.

### 13.3.2. Receivables

1. Receivables from credit institutions and clients are included in the balance sheet at the amount of the funds made available to the debtors after deduction of any repayments and write-downs made as indicated below.
2. When the amount made available to the debtor differs from the nominal amount of the claim, the difference is treated as interest income or expense.
3. Each credit file is assessed with due caution, taking into consideration the situation of the debtor and the value of the real and personal guarantees received.

4. Receivables that are irrecoverable or in default are transferred to a specific heading in Schedule A (Item 150: irrecoverable or doubtful receivables).
5. If the claim is presumed to be definitively irrecoverable, a full write-down is made. If, on the other hand, there is a chance of partial recovery, write-downs are recorded for the portion of the receivable estimated to be lost.
6. If the Management Board (EXCO) considers that there is no possibility of recovery for a claim, mainly as a result of a certificate from the trustee, the entire transaction is written off.
7. Interest whose collection is uncertain, as well as irrecoverable interest, is not recognized in the results.

### 13.3.3. Transferable securities portfolio

1. Securities which are not financial fixed assets should be valued on the basis of the distinction between the trading portfolio and the hedging portfolio in accordance with article 35 ter of the annual accounts. Bank doesn't have securities in its trading portfolio.

### 13.3.4. Investment portfolio / investment

1. Securities in the investment portfolio are defined as securities that do not belong to the trading portfolio and are not financial assets. Securities acquired under Asset Swaps also belong to the investment portfolio.
2. Variable-income securities in the investment portfolio are valued at the lower of cost or realizable value at the balance sheet date (Art. 35 para. 3). Currently, capital gains or losses on redemption are spread over the residual term of the securities in the same way as fixed-income securities.

3. Fixed-income securities in the investment portfolio are valued on the basis of their actuarial yield calculated at the time of purchase, taking into account their redemption value at maturity; the difference between the acquisition value and the redemption value is taken into income pro rata temporis over the remaining term of the securities as a component of the interest produced by these securities.
4. The difference is recognized in the income statement on a discounted basis, taking into account the actual rate of return on purchase. These securities are recorded in the balance sheet at their acquisition value plus or minus the (monthly) portion of the difference taken into account (Art. 35 para. 4).
5. Although belonging to the investment portfolio, certain structured securities will be subject to a revaluation in accordance with Article 35, Paragraph 6 of the Royal Decree of September 23, 1992 relating to the annual accounts of credit institutions, provided the conditions as defined below are met.
6. *"Lasting loss of value or impairment"* is understood to mean those which would remain beyond a period of 12 months from their occurrence and which would represent at the time of the monthly closing of the accounts either a discount of more than 10% compared with the acquisition price, or a negative latency of more than EUR 175,000.
7. In accordance with the said paragraph, each structured security with a negative latency equivalent either to more than 10% of the purchase price or to an amount in excess of EUR 175,000 and which remains in force for more than 12 months will be subject to a write-down, which will be recorded under item 517.21 of Schema A. In the event of a further improvement or deterioration in the

inventory value of the securities concerned by the application of this rule, the level of the write-down will be adjusted.

8. In the event of a loss of value on these securities as a result of an unfavorable change in credit risk, an ad hoc write-down will also be applied to take account of the said credit risk.
9. In addition, for positions which, although individually not reaching either of the two above-mentioned limits, nevertheless total a negative latency of more than EUR 500,000, a write-down will be made for the amount exceeding the said amount.
10. As regards interest income received, it is recorded in the economic account in the year in which it is recognized.

#### **13.3.5. Investment portfolio purchased with an eye to medium-term profitability**

1. As part of the prudential management of interest rate risk, an investment portfolio consisting of securities acquired with a view to medium-term profitability will be established.
2. In addition to the application of the valuation rules specific to the investment portfolio (see above), any unrealized losses resulting from its valuation at market price will be recorded and placed in a specific provision entitled: "Risk provision from securities positions".
3. As in the case of securities acquired as part of the trading portfolio, the purpose of the acquisition is used as the basis for applying the appropriate revaluation method.

#### **13.4 Financial assets and liabilities**

1. With regard to the recognition of changes in the classification of financial assets and liabilities, the

Bank applies rules in accordance with the following rules:

- On initial recognition of a financial asset or financial liability, the Bank measures it at cost (purchase price), i.e. at the fair value of the consideration paid or received.
  - For financial assets and liabilities not classified as at fair value through profit or loss, transaction costs that are directly attributable to the financial asset increase the cost, purchase price of the financial asset.
  - The basis for determining the fair value of a derivative financial instrument on initial recognition is, in principle, the transaction price, i.e. the fair value of the consideration paid or received.
2. Financial assets are recorded and maintained at their acquisition cost. Write-downs are made in the event of permanent losses and depreciation. Impairment losses are reversed when they become surplus to requirements.
  3. The initial value of financial assets arising from the acquisition of shares in another entity in exchange for an in-kind contribution is measured at fair value. The effects of the initial measurement are recognised in the revaluation reserve.

### 13.5 Tangible and intangible assets

Tangible and intangible fixed assets, which have a limited period of use, are subject to depreciation calculated according to a plan established in accordance with the rules laid down by the Board of Directors of the credit institution (article 15).

**The depreciation rates to be applied to our depreciation are as follows:**

### Tangible assets

**Leased premises fixtures:** 11% linear

**Ownership premises fixtures:** 15% linear

**Equipment, furniture:** 15% linear

**Set-up fees:** 20% linear

**Acquisition costs on buildings:** 20% linear

**Acquisition costs on land:** 20% linear

**Computer hardware:** 25% linear

**Rolling stock:** 25% linear

**Small equipment:** 33% linear

**Microcomputer hardware:** 33% linear

### Intangible assets

**Key money:** 11% linear

**Computer software:** 20% linear

### Notes:

1. Investments are recorded at the time of purchase at their acquisition value plus non-refundable VAT.
2. Depreciation on new investments is only allowed as a business expense on a pro rata basis.

### 13.6 FRA - IRS derivative products

1. Hedging transactions are undertaken within the framework of the interest rate risk management policy, which specifies the risks to be hedged, the hedging strategy, the tools used and the methods for monitoring and controlling hedging positions and hedged items.
2. This policy includes the new requirements resulting from the procedures for granting/maintaining the

derogation from article 36 bis of the Royal Decree of September 23, 1992 on the annual accounts of companies, as amended by the Royal Decree of August 29, 2021 and specified by the NBB in its circular NBB\_2021\_20 and which are reflected in this policy.

3. The Bank has defined two main classifications for derivatives: Trading and Hedging.
  - Trading FRA/IRS: These are operations that cannot be qualified as hedging operations. Taking positions in trading derivatives is not part of the Bank's business strategy and this category is therefore only used for intermediation operations (IRS client, typically covered "back to back" by an IRS banker). Trading tools are recorded at their market value.
  - Hedging transactions are divided into two categories: Micro-Hedge and Macro-Hedge FRA/IRS.
4. Hedging FRAs/IRSs: Their purpose is to offset or reduce the interest rate risk of isolated financial transactions or transactions with homogeneous characteristics for which mark-to-market valuation is not required. For example, this is the case for IRS covering back-to-back securities acquired by the bank, possibly as part of an asset swap. IRS could also cover a set of items such as a set of securities or a set of mortgage loans or loans to SMEs.
5. A hedging instrument is referred to as a Micro Hedge when it is used for an isolated financial transaction with symmetrical characteristics. Macro hedging is used when one or more hedging instruments are used to hedge a set of financial positions.
6. Hedging instruments are valued by recognizing the related results pro rata temporis over the duration of the transactions
7. The effectiveness of the hedging strategy is monitored quarterly by the Executive Committee according to strict criteria in line with the Royal Decree and the NBB circular. The result of this control may

lead to the downgrading of hedging instruments, which are then reclassified as trading tools and valued at fair price.

### 13.7 Forex forward transactions

1. FX forward transactions (and second leg of FX swaps) are the subject of M2M valuation.
2. NBB regulations provide, among other things, that amounts to be received or paid in execution of forward exchange transactions which are accompanied by cash exchange transactions in the opposite direction and which are entered into with a view to covering the settlement of claims and debts are charged pro rata temporis over the term of the transactions as income and expenses similar to interest income and expenses. Otherwise, forward exchange transactions are valued at the forward exchange rate corresponding to the remaining term of these transactions.
3. The balance of the resulting positive and negative differences is charged to the income statement as income or expense to be taken into account in determining the profit or loss of the foreign exchange transaction.

### 13.8 Debts

1. Debts owed to the lending institutions and to customers are recorded in the balance sheet at the amount of the funds made available to the bank, after deduction of any repayments already made in the meantime.
2. Debts represented by a security with a mandatory capitalization are recorded at the original amount plus the interest already capitalized.

### 13.9 Provisions for "risks and expenses"

1. The necessary provisions are made on the basis of a prudent assessment. Provisions for taxes cover liabilities resulting from the calculation of taxes due on the results of the current year.

2. Adequate provisions are made for ongoing legal disputes and litigation.

### 13.10 Pension provisions

1. Under Belgian law, the employer must guarantee a minimum return on both employer and personal contributions. The amount recorded corresponds to the underfunding determined according to the embedded value method. This method consists of comparing per individual the reserves defined in the pension plan and available in the individual accounts/ contracts on the closing date with the individual minimum reserve(s) calculated on the closing date.
2. The negative difference determines the individual underfunding at the closing date. The total underfunding is the sum of the individual underfunding.

### 13.11 Holiday provisions

1. The amount of short-term employee benefits for unused holidays accruing to the Bank's employees is calculated as the sum of unused holidays accruing to individual employees of the Bank.
2. Provision is value on the quarterly basis by the HR department.

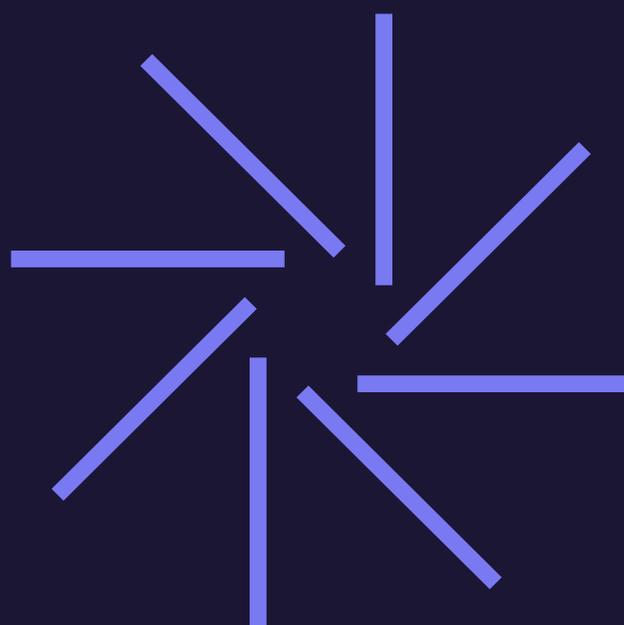
### 13.12 Funds for general banking risks and internal security funds

1. The Board of Directors, upon the recommendation of the Executive Committee, determines the terms and conditions of allocations to the contingency funds intended to protect the Bank's creditworthiness against the latent risks involved in its activities.
2. In addition to the specific write-downs for identifiable risks, these funds may be set up according to the level of customer receivables.
3. When a major exceptional risk materializes, the Executive Committee may propose to the Board of

Directors that a deduction be made from the Fund for general banking risks. Any withdrawals from the Internal Security Fund are decided by the Executive Committee.

### 13.13 Financial result - Income and expenses related to BAAS transactions

1. Bank-as-a-Service cooperation in the area of loans and deposits is a specific partnership model, where the BAAS partners provide to the Bank its customers' (End-clients) Loans and Deposits.
2. In case of loans, the Bank transfers to the BAAS partner the interest received from the End-clients and charges to the BAAS partner remuneration which is stipulated in the bilateral agreement between Aion and the BAAS partner.
3. In cases of deposits, the Bank pays to the BAAS partner remuneration on deposits of End-customers brought by the BAAS partner. This remuneration is decreased if End-customer' deposits receive any interest (paid by Aion) on their deposits.
4. These remunerations are presented as interest expense and interest income: 10- interest income on BAAS transactions will be posted on GLs 421-101-01-000 or 425-5-01-01-000 (depends on BAAS) and recorded under item 411.26 of Schema A Interest received on terms loans, interest expense on BAAS transactions will be posted on GLs 515-5-01-01-000 or 515-5-01-01-200 and recorded under item 511.22 of Schema A Interest payable on time deposits and special deposits.
5. The rules are to be effective from the 2024 financial statements and the necessary related disclosures will be described in it.



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