

Climate Dashboard

Compiled by the National Bank of Belgium Climate Hub

Summer 2025

National Bank OF BELGIUM

Eurosystem

What is the Climate Dashboard?

Process

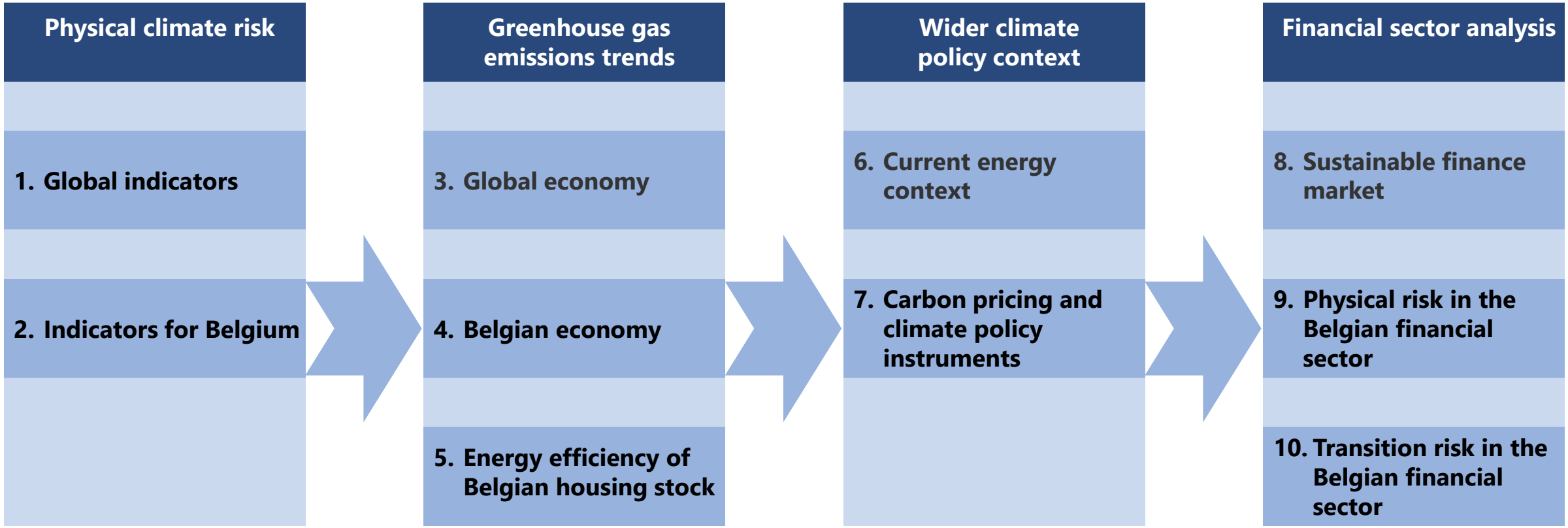
- The dashboard was created by the Bank's Climate Hub, the group within the NBB responsible for coordinating activities related to climate change and sustainable finance.
- The Climate Hub facilitates cooperation and the exchange of information between departments in these areas.
- The purpose of the Climate Dashboard is to provide the broader public with more information on the consequences of climate change and the transition to net zero greenhouse gas emissions for the economy and the financial system.

Main messages

- By means of this initiative, the National Bank underscores its focus on climate change and the resulting challenges. It should be noted that the NBB also analyses climate-related risks in the financial sector and monitors the management thereof.
- Its four key messages are:

1. **Global greenhouse gas emissions are still rising, making it unlikely for the world to limit warming to 1.5°C.**
2. **A carbon price is crucial to change relative prices.**
3. **The macroeconomic cost of the transition toward climate neutrality is manageable.**
4. **Energy inefficiency of real estate is most important source of transition risk for Belgian financial sector.**

Overview


Physical climate risk
1. Global indicators
2. Indicators for Belgium
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3. Global economy
4. Belgian economy
5. Energy efficiency of Belgian housing stock
Wider climate policy context
6. Current energy context
7. Carbon pricing and climate policy instruments
Financial sector analysis
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10. Transition risk in the Belgian financial sector



1. Physical climate risk: global indicators

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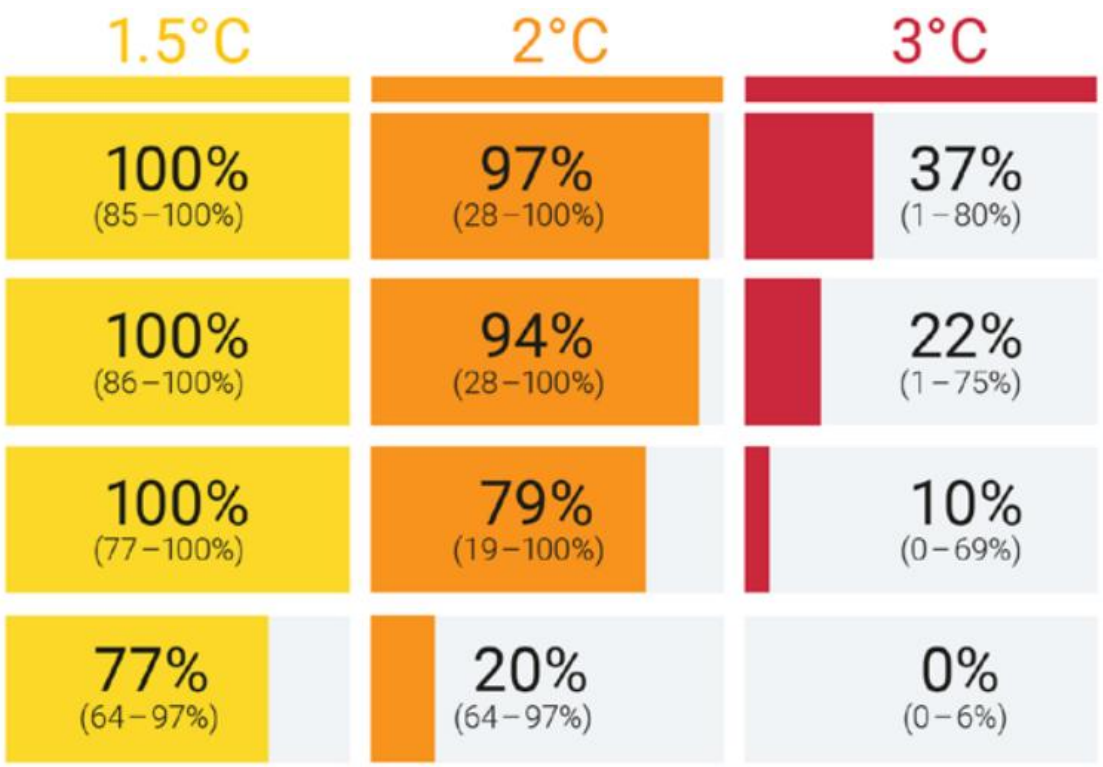
Current policies lead to climate change exceeding 3°C

Scenario	Peak warming (66% likelihood)
Current policies continuing	3.1°C
Unconditional NDCs continuing	2.8°C
Conditional NDCs continuing	2.6°C
Conditional NDCs and all net-zero pledges	1.9°C

Likelihood of warming exceeding a specific temperature limit

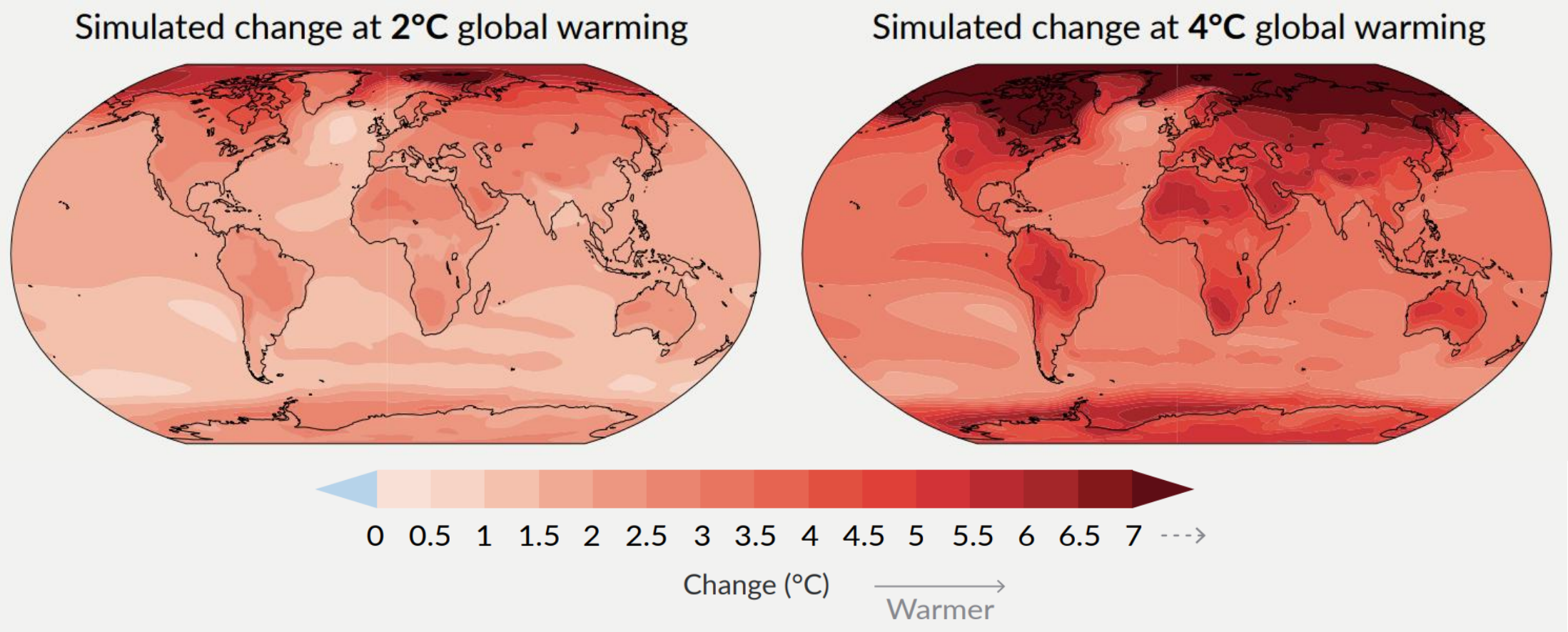
(%)



Source: United Nations Environment Programme (2024), Emissions Gap Report 2024.

Land areas will warm more than ocean areas

Annual mean temperature change (°C) relative to 1850-1900



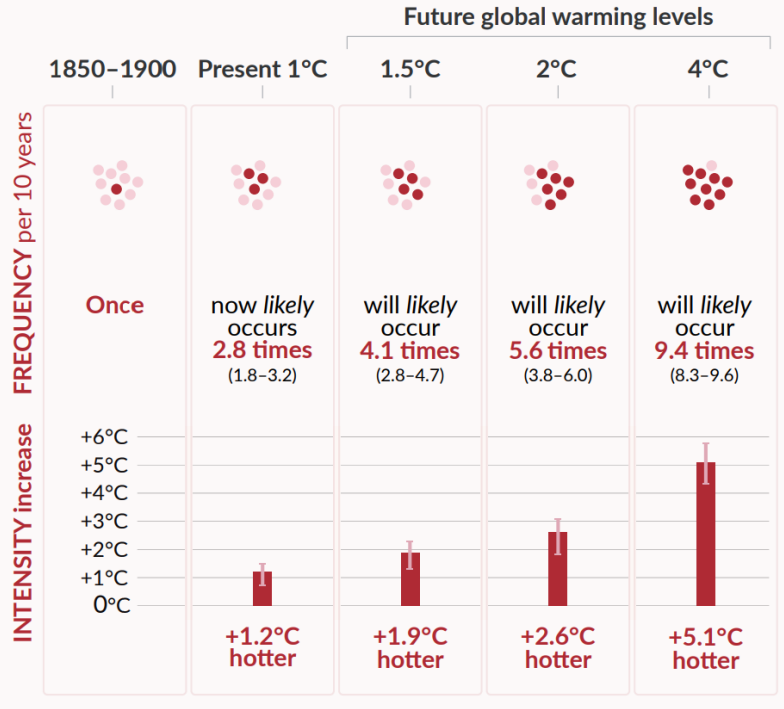
Source: Adapted from IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

Global temperature extremes will increase with warming

Hot temperature extremes over land

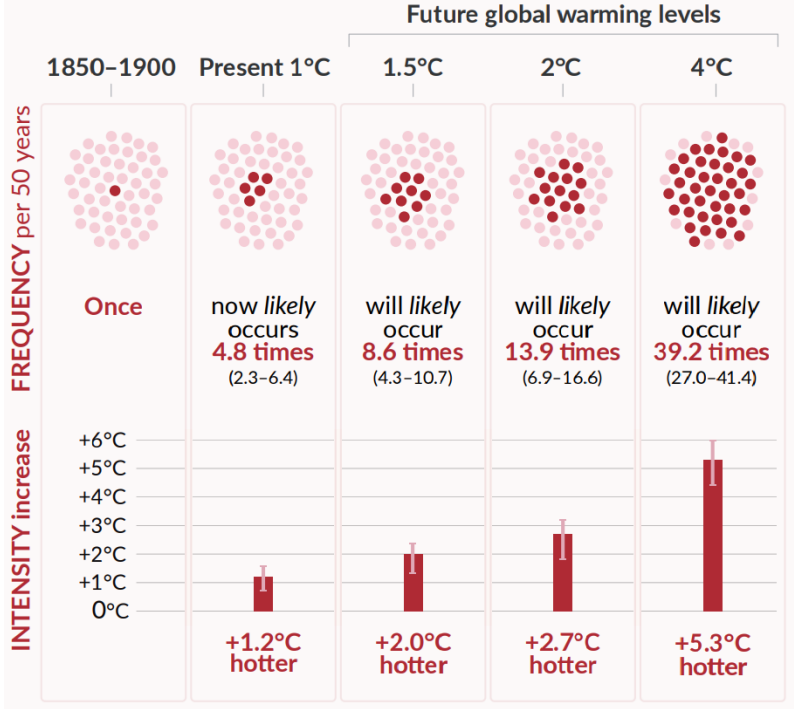
10-year event

(Frequency and increase in intensity of extreme temperature event that occurred **once in 10 years** on average **in a climate without human influence**)



50-year event

(Frequency and increase in intensity of extreme temperature event that occurred **once in 50 years** on average **in a climate without human influence**)



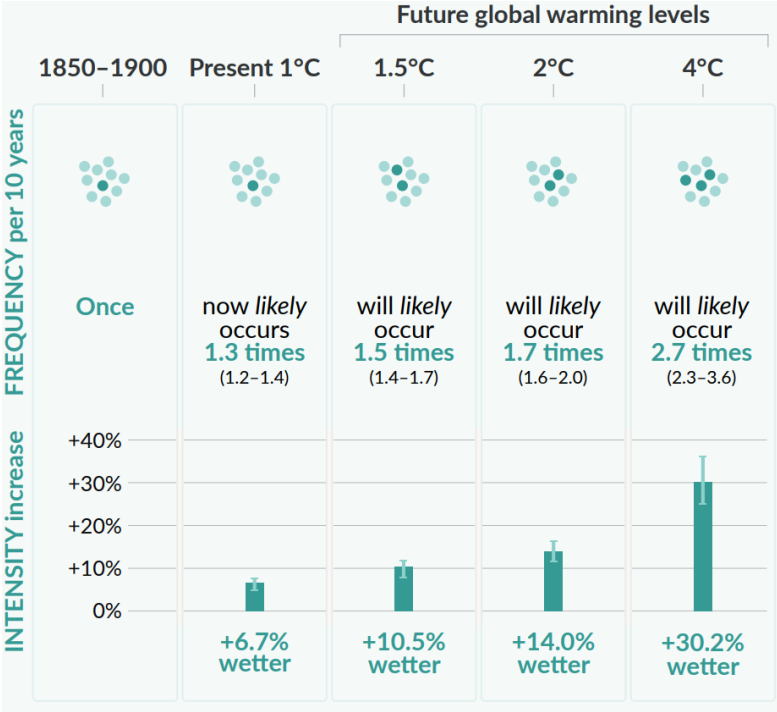
Source: IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

Intensity of precipitation and drought events will increase with warming

Heavy precipitation over land

10-year event

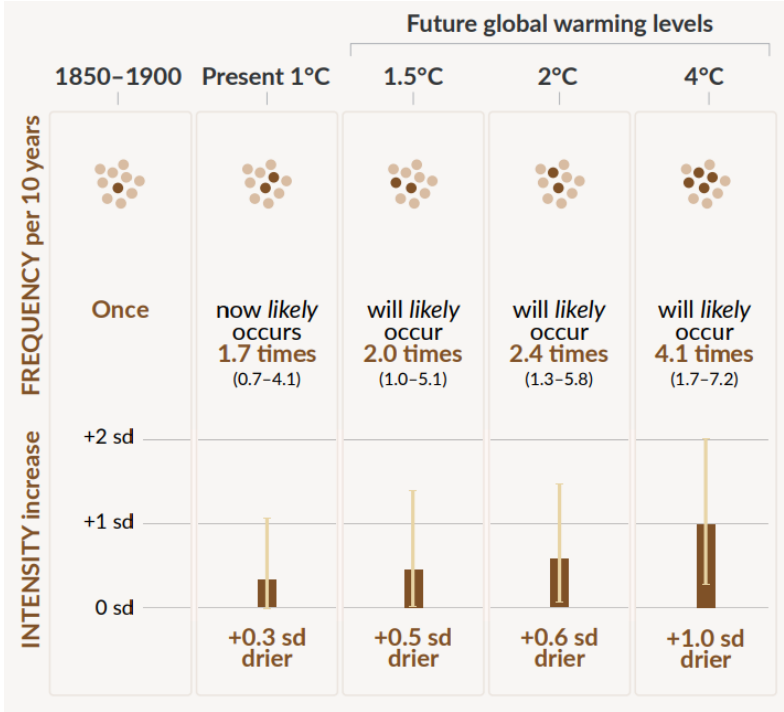
(Frequency and increase in intensity of heavy 1-day precipitation event that occurred **once in 10 years** on average **in a climate without human influence**)



Drought events in drying regions

10-year event

(Frequency and increase in intensity of an agricultural and ecological drought event that occurred **once in 10 years** on average across drying regions **in a climate without human influence**)



Source: IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

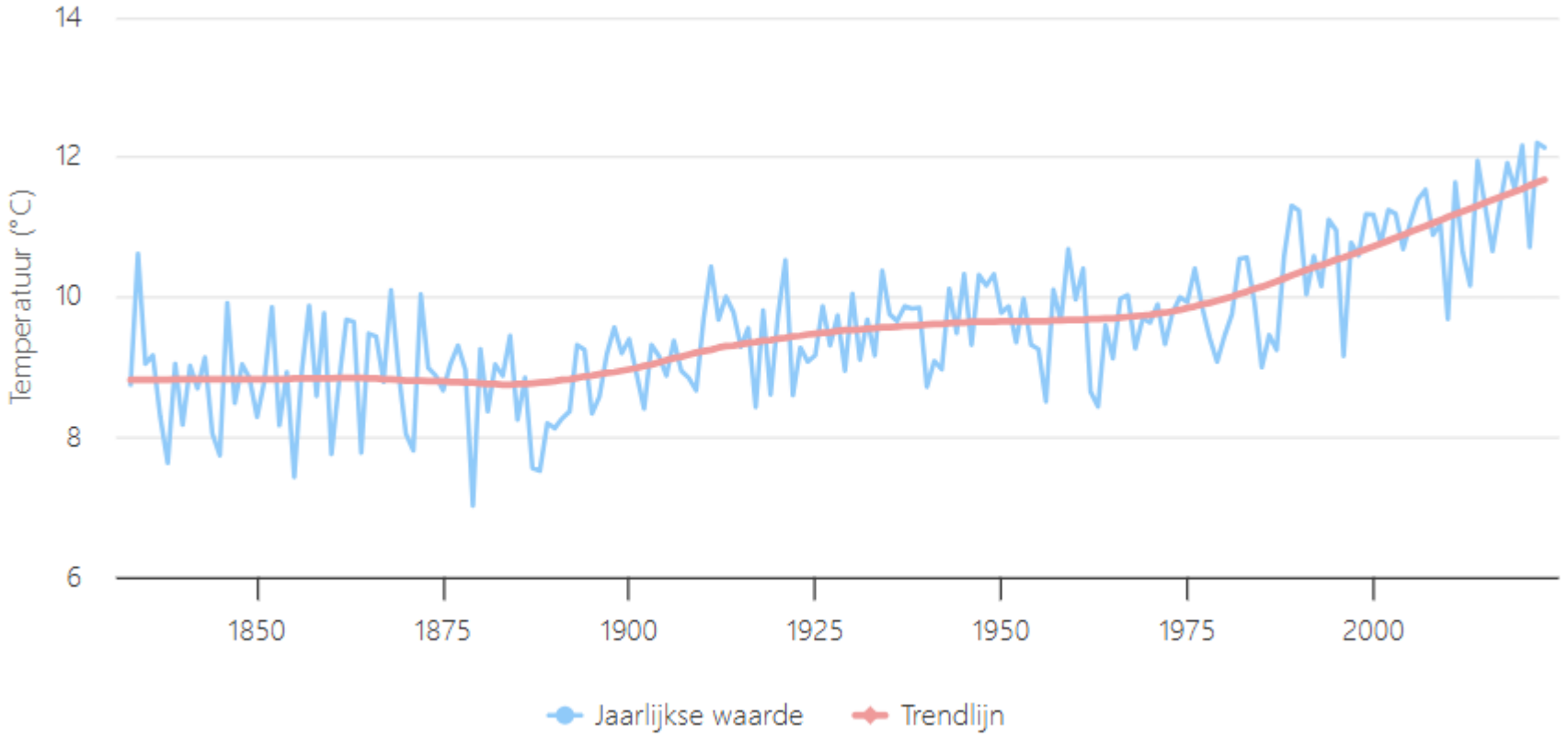


2. Physical climate risk: indicators for Belgium

Average temperature in Ukkel has been increasing steadily since the end of the 19th century

Evolution of the average temperature

(in Ukkel between 1833 and 2023)

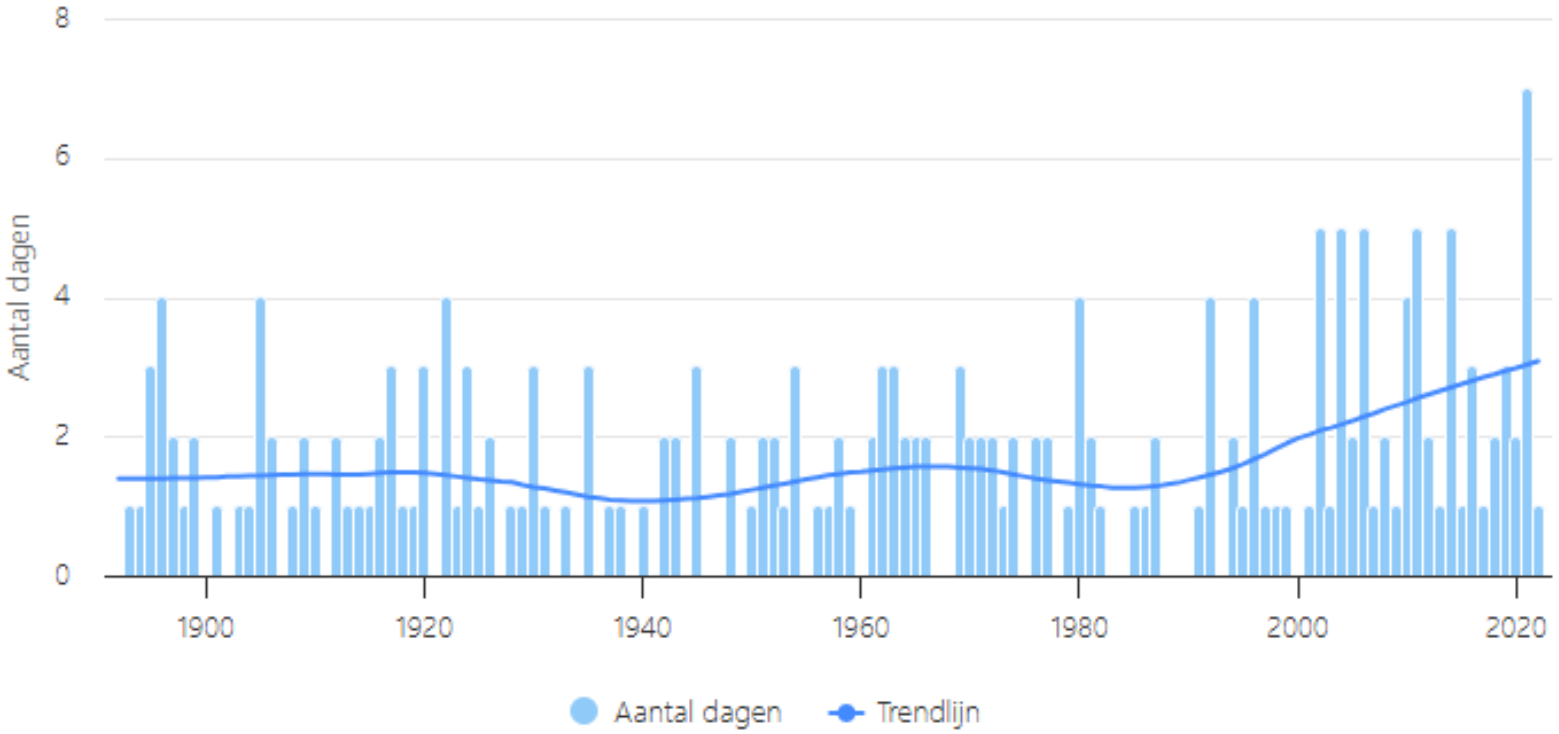


Source klimaat.be.

Belgian summers tend to have more days with heavy rainfall over the last 20 years

Evolution of the number of days with heavy rainfall

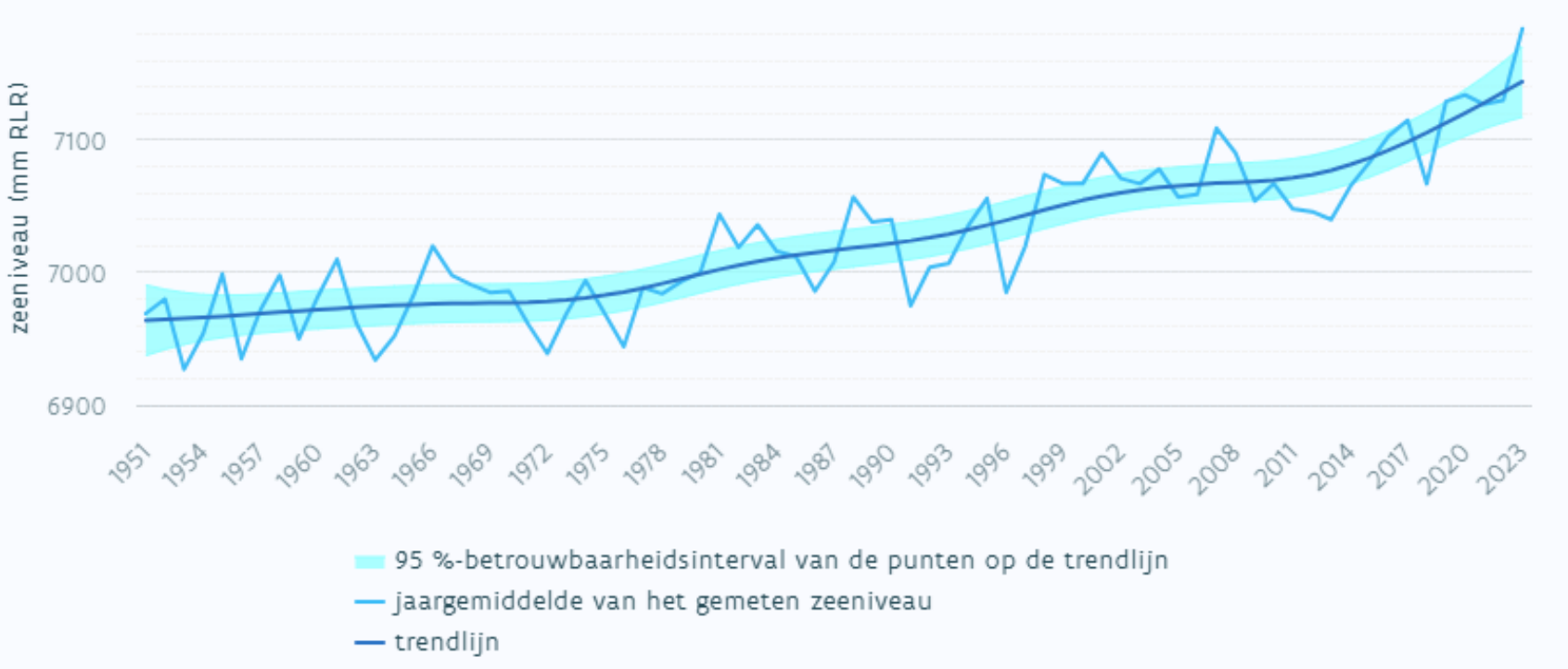
(during summer in Ukkel between 1892 and 2022)



Source klimaat.be.

Sealevel in Belgium has been increasing steadily

Evolution of sealevel in Oostende

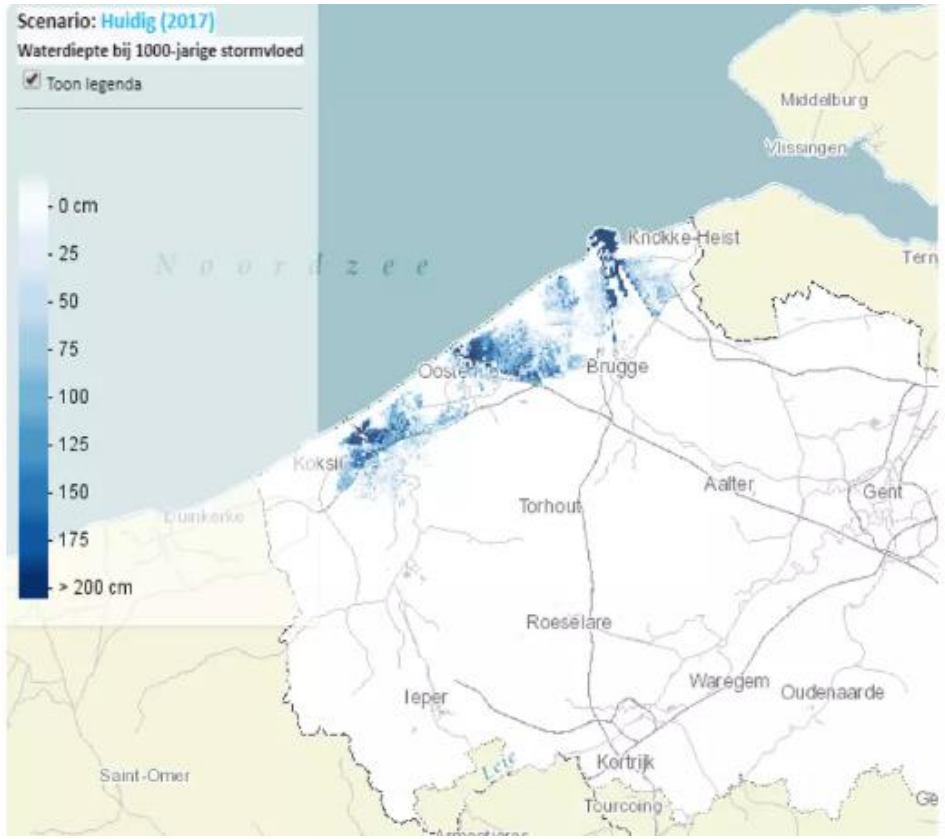


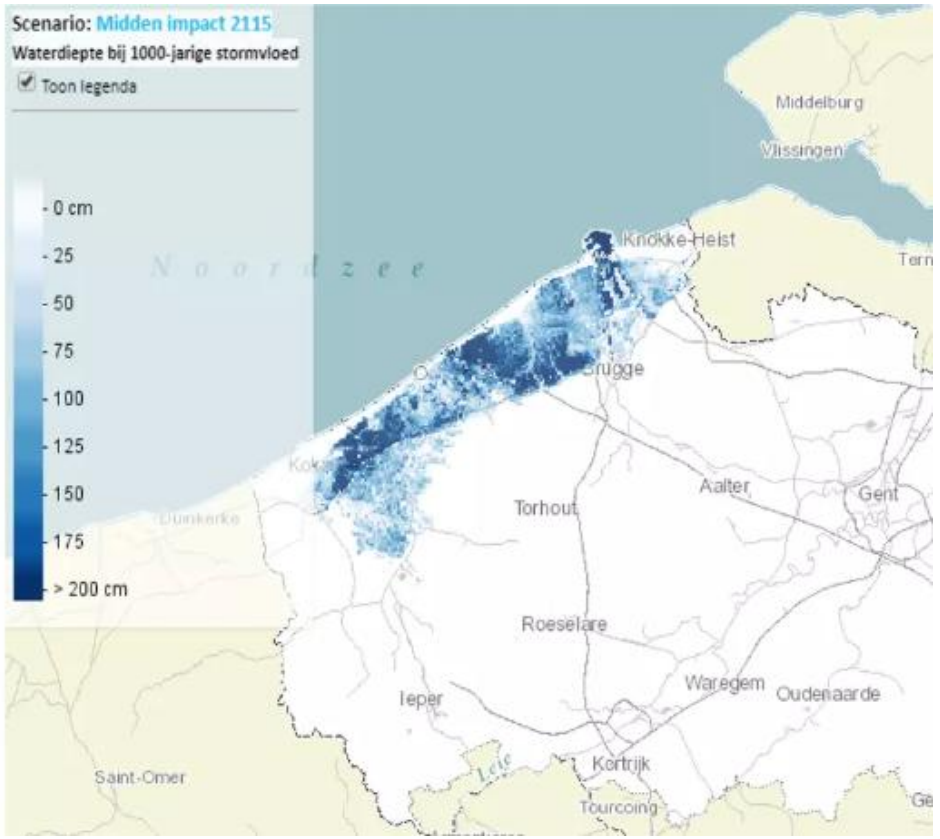
Note: Sea level is expressed in mm RLR (Revised Local Refence). Data of a local reference (for the Belgian coast this is the Second General Water benchmark- TAW of Tweede Algemene Wateraanpassing) have been transposed with regard to the international reference level

Source: Vlaamse Milieu maatschappij.

By 2100 a sea level rise of 60 to 90 cm is expected at the Belgian coast in a moderate scenario

Estimated damages for extreme storms (1000-year) in the current situation (left) vs 2100 (in a moderate scenario) (right)

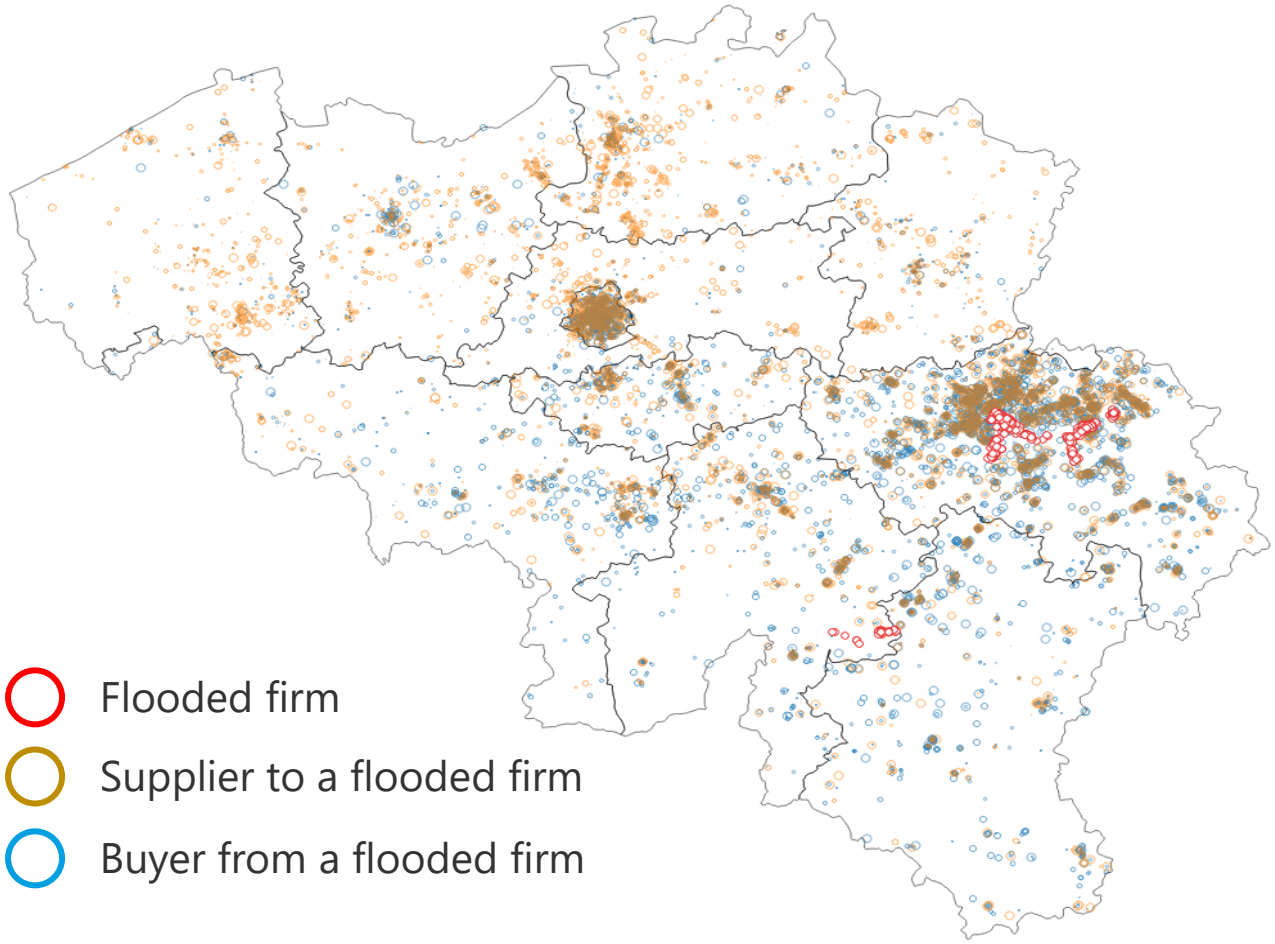




Source: klimaat.be

Extreme weather events also impact the buyers and suppliers of directly affected firms, such as in the case of the 2021 Vesdre floods

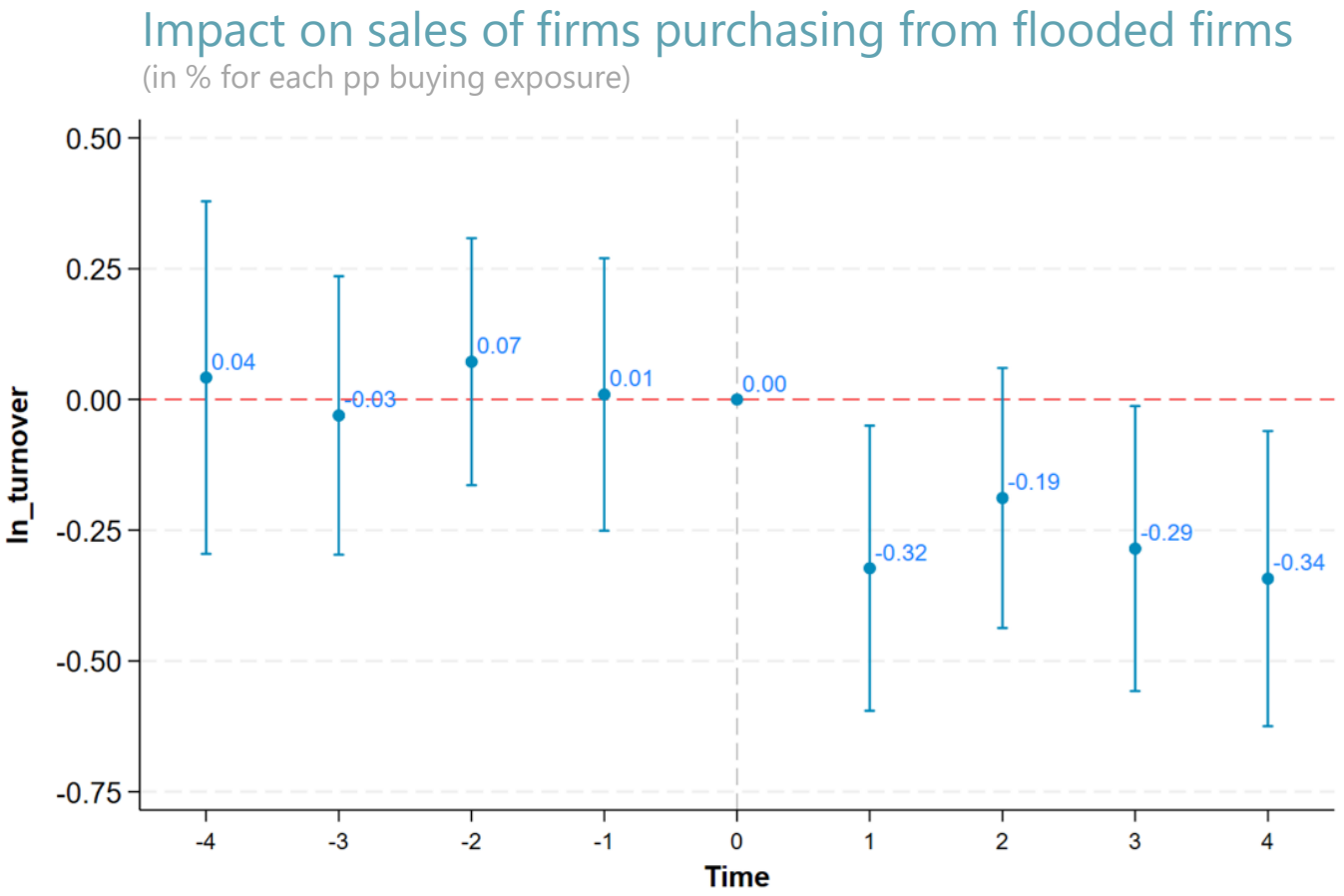
Firms impacted by the 2021 Vesdre floods



- The economic impact includes both local effects and supply chain effects
- Local effects
  - Destruction of production facilities
  - Destruction of transport infrastructure
  - Dislocation of/harm to workforce and human capital
- Pan-regional supply chain effects
  - Buyers and suppliers affected throughout the country, far behind the directly hit area

Source: Bijnens et al. (2024), A Bridge over Troubled Water: Flooding Shocks and Supply Chains.

The indirect impact exceeds the direct impact, with mainly clients of flooded firms that are affected



- There were 10 795 firms with a two-year purchasing history with the flooded firms.
- Firm at the 90th percentile (purchasing exposure = 17%) witnessed a drop of 17% × 32% = 5.4% in sales.
- Sales recover more slowly than sales of the directly hit firms.
- Selling exposure to flooded firms does not seem to matter much.

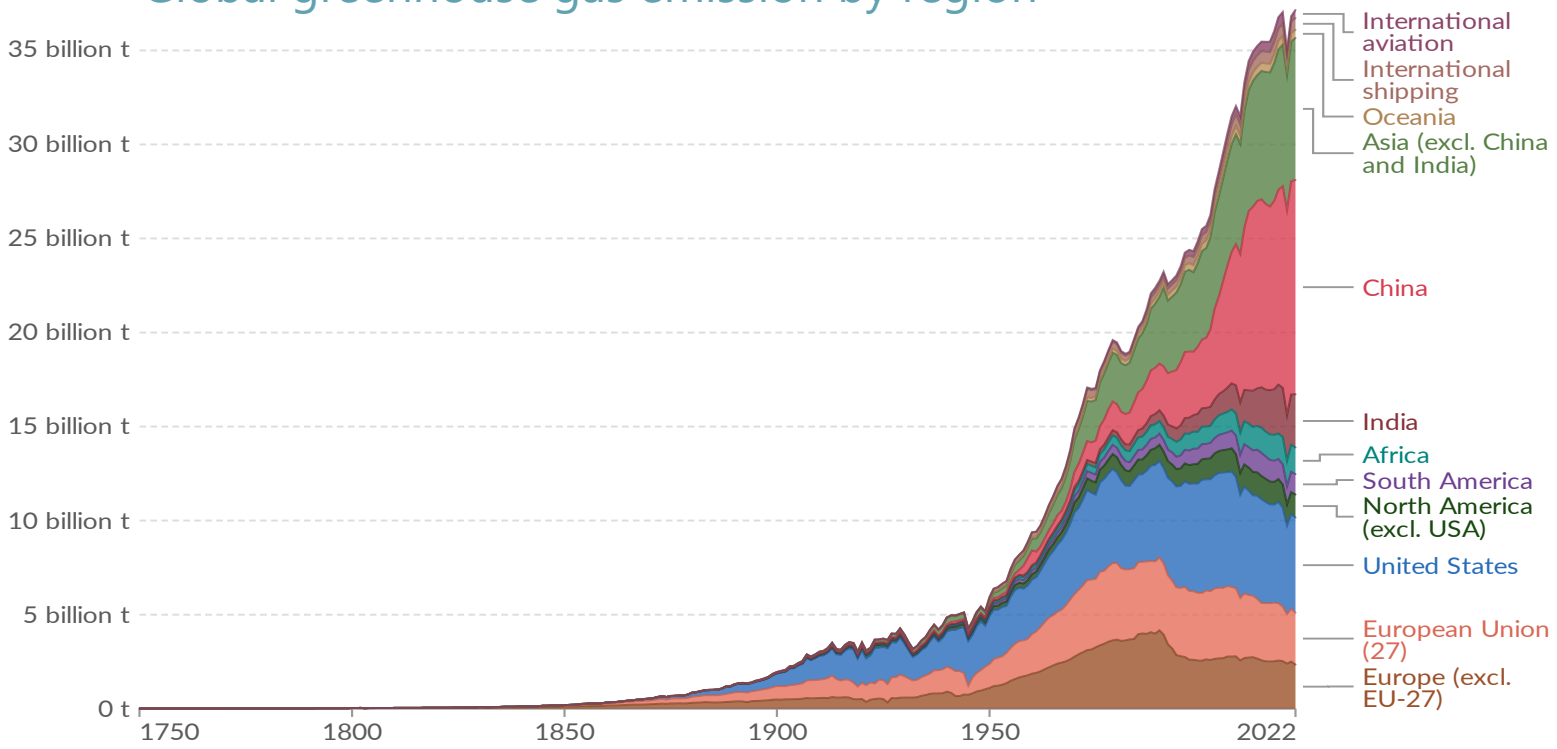
Source: Bijnens et al. (2024), A Bridge over Troubled Water: Flooding Shocks and Supply Chains.



3. Greenhouse gas emissions trends: global economy

Global greenhouse gas emissions are still rising, making it unlikely for the world to limit warming to 1.5°C: less than five years at current emissions consume the remaining 1.5°C carbon budget.

Global greenhouse gas emission by region



Source: Adapted from Our World in Data based on Global Carbon Budget (2023).
1 billion t = 1 Gt.

Remaining carbon budget

- = "the maximum amount of cumulative net global anthropogenic carbon dioxide (CO_2) emissions that would result in limiting global warming to a given level with a given probability[…]"
- For a 50% likelihood of limiting global warming to
- 1.5°C: ~130 Gt CO_2
- 1.7°C: ~490 Gt CO_2
- 2.0°C: ~1050 Gt CO_2
- Changes to non-CO_2 greenhouse gas emissions can add or subtract ~220 GtCO_2eq

Source: Based on Forster et al. (2025): "Indicators of Global Climate Change 2024: annual update of key indicators of the state of the climate system and human influence", Earth System Science Data, 17: 2641-2680.

While the emissions gap between announced ambition and the Paris Agreement has shrunk over time, it remains large

Scenario	Projected GHG emissions ($GtCO_2e$)	Estimated emissions gaps ($GtCO_2e$)		
	Median and range	Below 2.0°C	Below 1.8°C	Around 1.5°C
2030				
Current policies	57 (53-59)	16 (12-18)	22 (18-24)	24 (20-26)
Unconditional NDCs	55 (54-57)	14 (13-16)	20 (19-22)	22 (21-24)
Conditional NDCs	51 (48-55)	11 (7-14)	17 (13-20)	19 (15-22)
2035				
Current policies continued	57 (44-62)	21 (9-26)	30 (18-35)	31 (20-37)
Unconditional NDCs continued	54 (46-60)	18 (10-24)	27 (19-33)	29 (21-35)
Conditional NDCs continued	51 (43-57)	15 (8-22)	24 (17-30)	26 (19-33)
Conditional NDCs + all net-zero pledges	43 (38-49)	8 (2-13)	16 (11-22)	19 (13-24)
2050				
Current policies continued	56 (25-68)	36 (4-48)	44 (12-56)	48 (16-60)
Conditional NDCs + all net-zero pledges	19 (6-30)	-1 (-14-10)	7 (-6-18)	11 (-2-22)

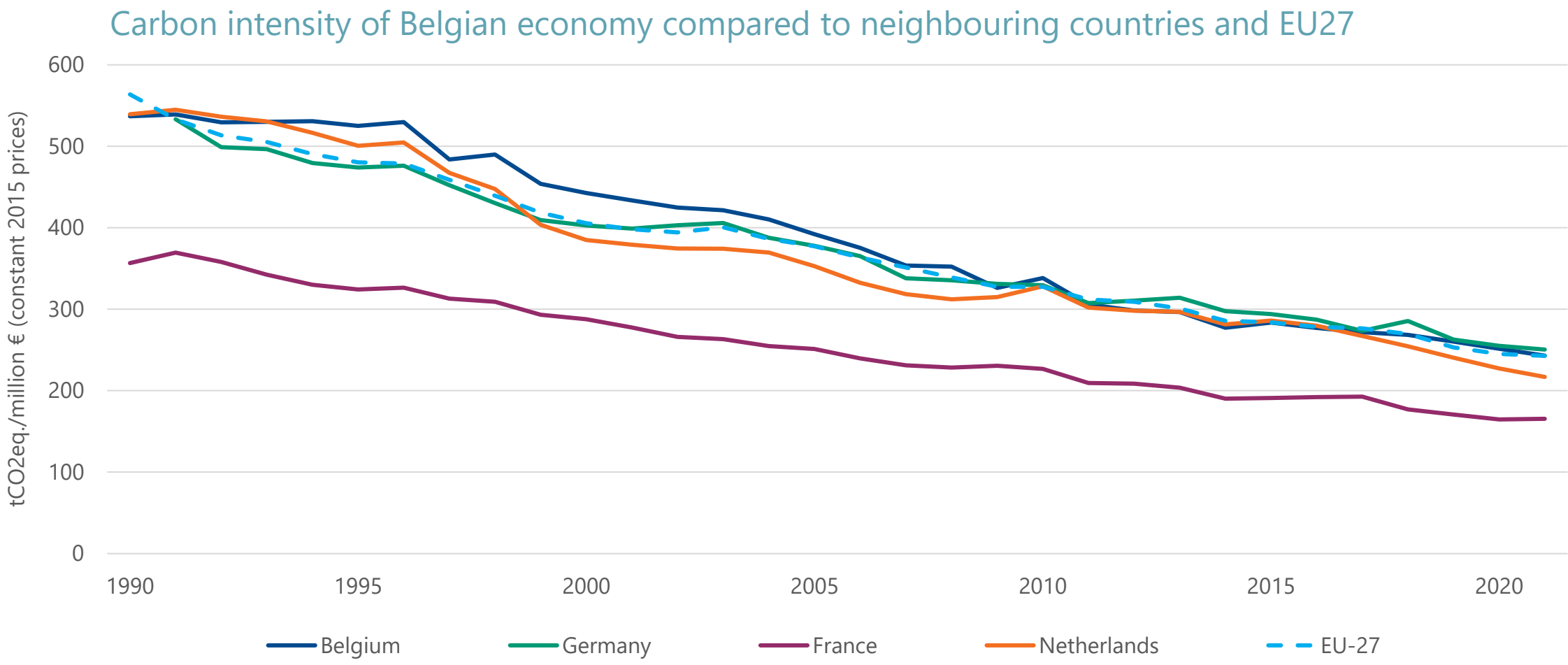
- The emissions gap is defined as the difference between the level of global GHG emissions resulting from full implementation of the most recent NDCs, and levels under least-cost pathways aligned with the Paris Agreement temperature goal.
- The table shows annual data for both projected emissions and estimated emissions gaps

Source: Adapted from United Nations Environment Programme (2024), Emissions Gap Report 2024



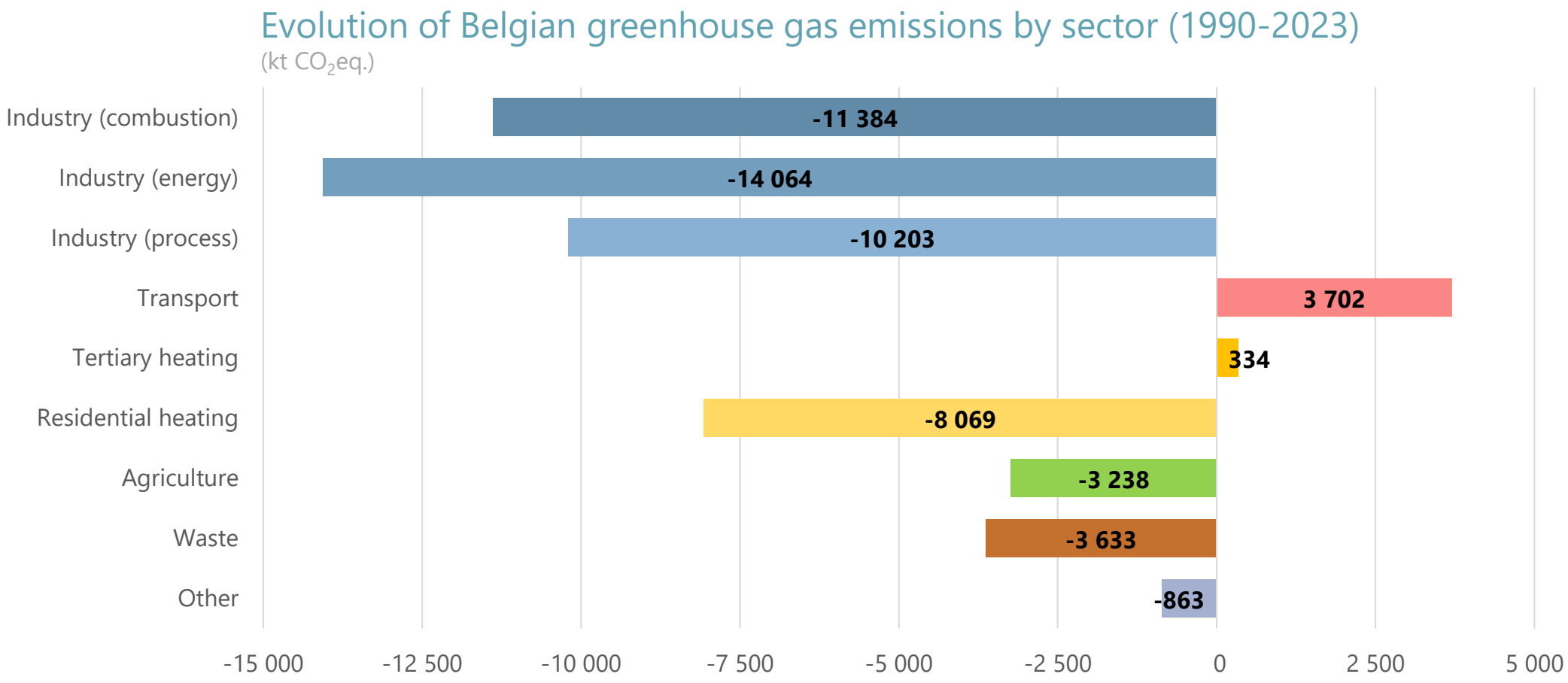
4. Greenhouse gas emissions trends: Belgian economy

Belgium's carbon intensity is declining at a similar pace as the carbon intensity of its neighbours and the European Union more widely



Source: Adapted from Greenhouse Gas Data Viewer, European Environment Agency.

While Belgian greenhouse gas emissions have been falling across most sectors in the last decades …

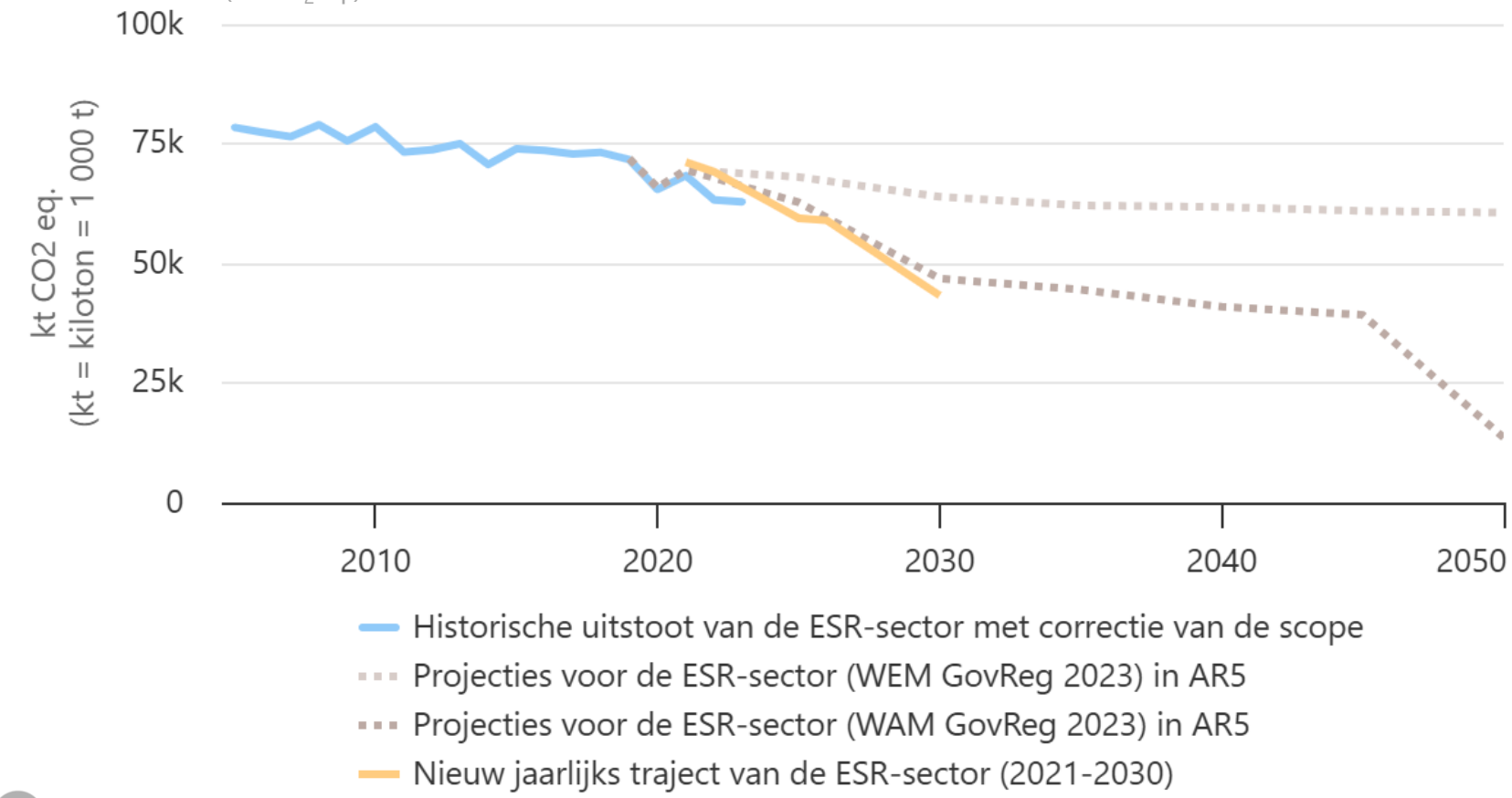


Source: climat.be

… faster decarbonisation is required to reach Belgium's 2030 emissions reductions target under the EU Effort Sharing Regulation

Evolution and projections for Belgian greenhouse gas emissions for sectors under the EU Effort Sharing Regulation

(kt CO_2eq.)



Source: klimaat.be.

Attention towards climate change in Belgian news articles has increased markedly over the course of the last decade

Sentometrics Climate Attention Indicator based on Belgian newspapers



Source: sentometrics.com.

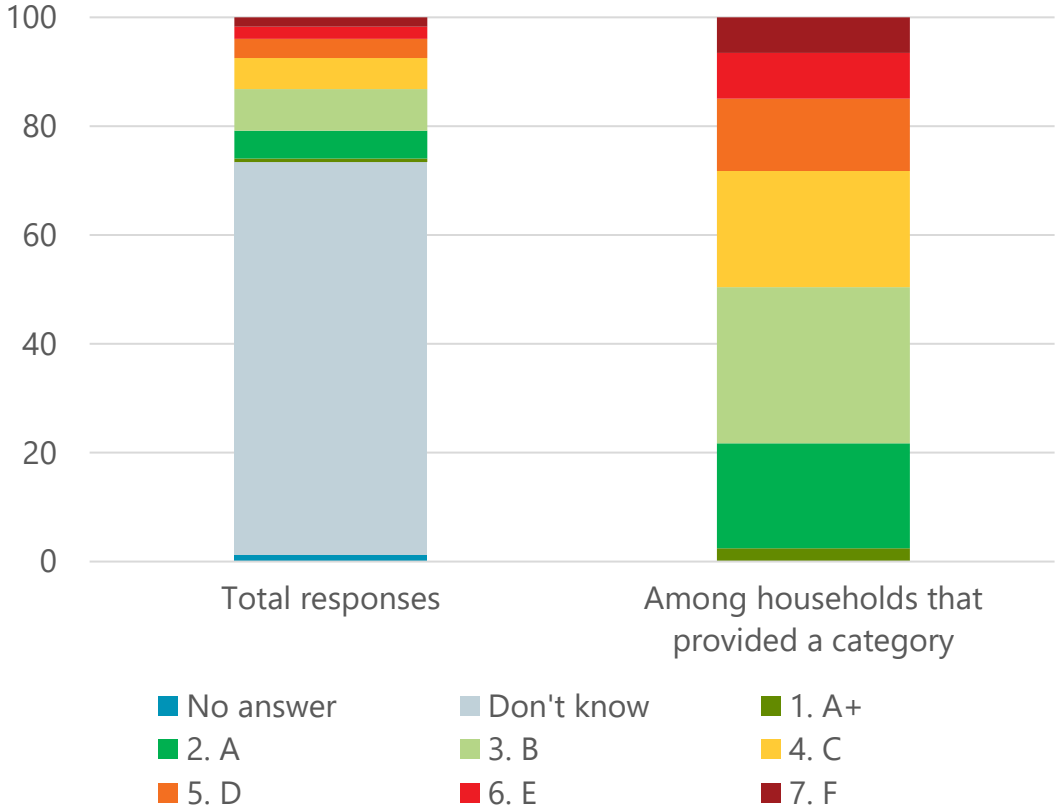


5. Energy efficiency of Belgian housing stock

Most households are unaware of the energy performance of their homes and only around one third of households with a mortgage on their home intended to improve its energy efficiency. This is similar across income groups

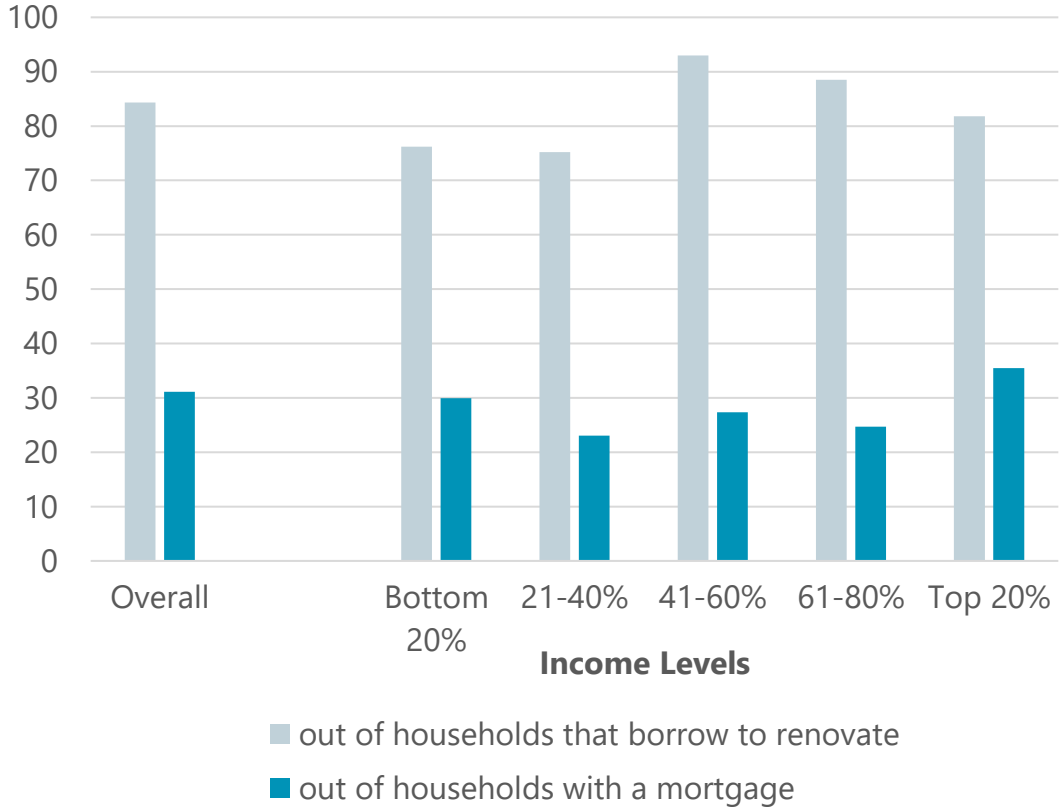
Energy performance certificate status of homes

(%)



Households borrowing to improve energy efficiency

(%; mortgages on the main residence)

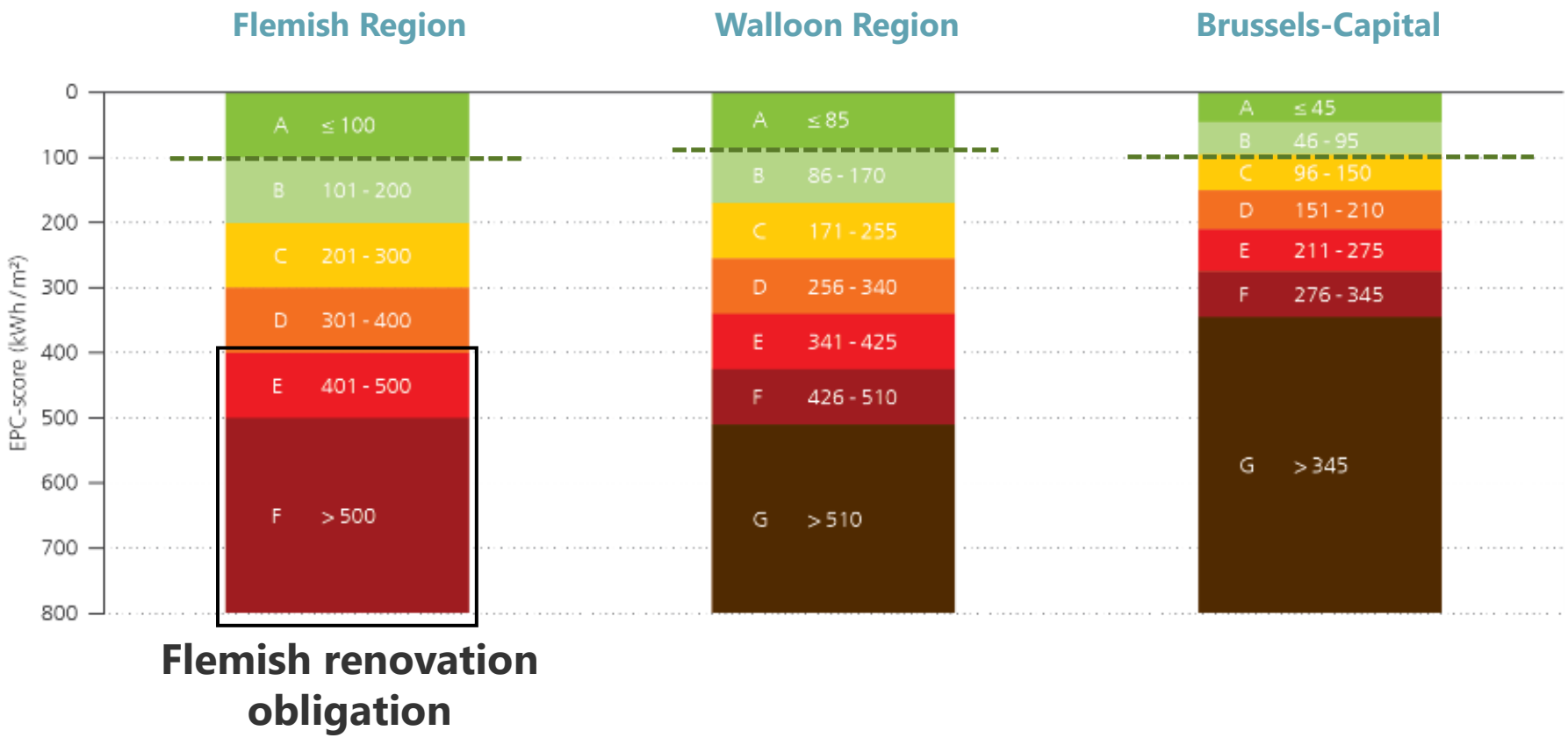


NB.: EPC labels refer to the Flemish standard.

Source: NBB (HFCS, 4th wave, June 2020-June 2021)

Since 2023, homebuyers of Flemish dwellings with a class E or F energy label are obliged to renovate their home to at least a class D label within 5 years

Grouping of energy scores for energy label purposes in the three regions of Belgium[1]



Source: Reusens et al. (2025) Impact of the Flemish energy renovation obligation on house prices, NBB Economic Review.

[1] This presentation uses the Flemish energy label classification for all regions for the sake of comparability.

The three regions had announced increasingly stringent renovation obligations
(but these are partly reversed in Flemish coalition agreement)

Minimum energy performance standards for existing dwellings by year of introduction

(maximum EPC-scores in kWh/m²)

	Homebuyers (within 5 years of purchase)	New rental agreements	All existing dwellings
Flemish Region	400 (2023) — Decided in Oct. 2021 ~~300 (2028)~~ ~~200 (2035*)~~ ~~100 (2040*)~~ — Decided in Oct 2022, but reversed in Sep. 2024 * Five years later for apartments	-	Roof insulation norm (2015) Double glazing norm (2020) 500 (2030) 400 (2035*) 300 (2040*) — Decided in Dec. 2023 * Five years earlier for terraced houses / apartments
Walloon Region	340 (2026) 255 (2031) 170 (2036) 85 (2041)	510 (2027*) 425 (2030*) 340 (2033*) 255 (2036*) * Two years earlier for first-time rental properties	510 (2031) 425 (2036) 340 (2041) 255 (2046) 170 (2050) — (Proposal of March 2023, but **not yet approved by parliament)**
Brussels-Capital Region	-	-	275 (2033) 150 (2046) — Decided in Feb. 2024

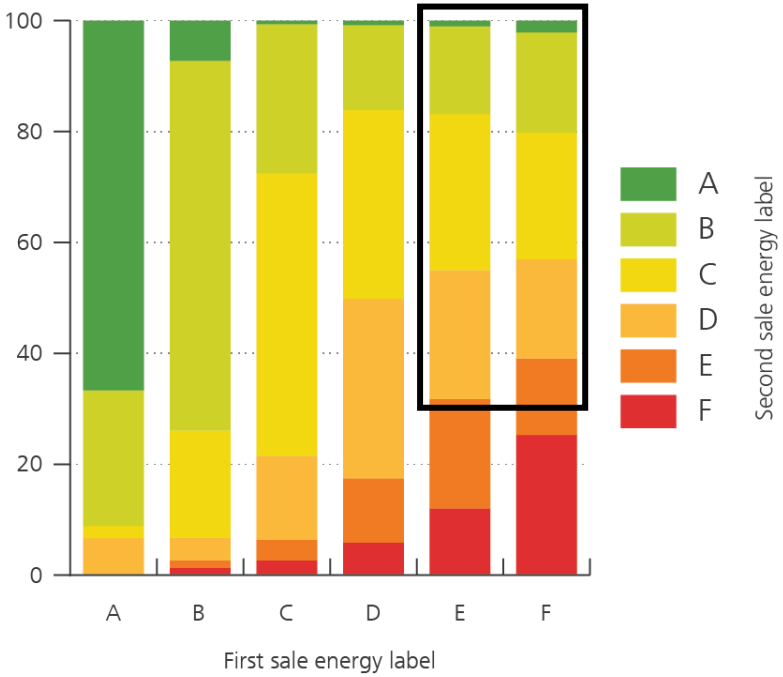
Sources: Vlaams regeerakkoord (Sep. 2024); Energienorm in de minimale woningkwaliteitsnormen (Dec. 2023); Renovatieverplichting voor nieuwe eigenaars (Oct 2022); Plan Air Climat Energie (March 2023); Brussels Wetboek voor Lucht, Klimaat en Energiebeheersing (March 2024).

Due to their poor quality, a majority of buyers of houses with a class E or F energy label were renovating their homes to at least a class D level in any case

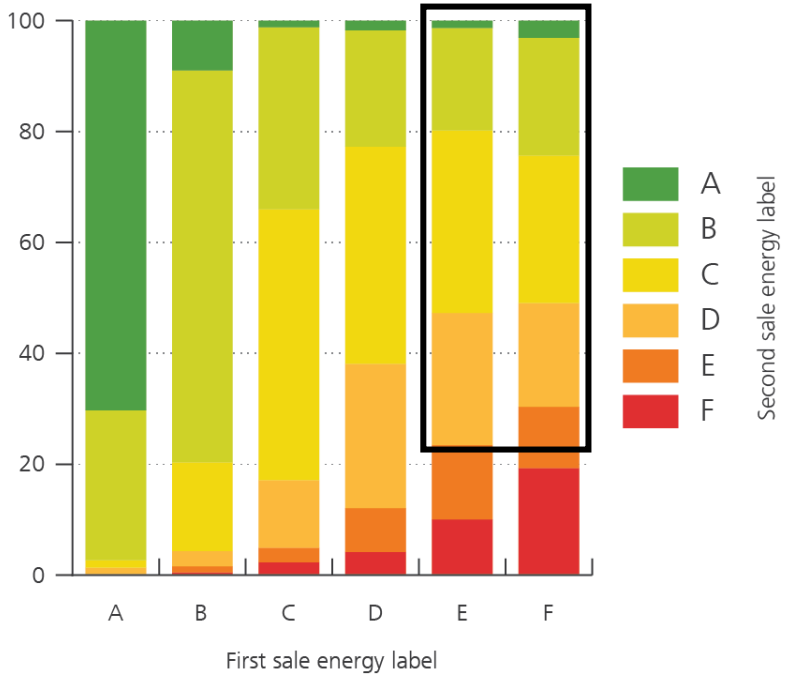
Change in the energy label class for Flemish houses sold twice[1]

(EPC distribution for the second sale, broken down by EPC for the first sale, as a %)

Second sale in 2022



Second sale in 2023 – Q1 2024

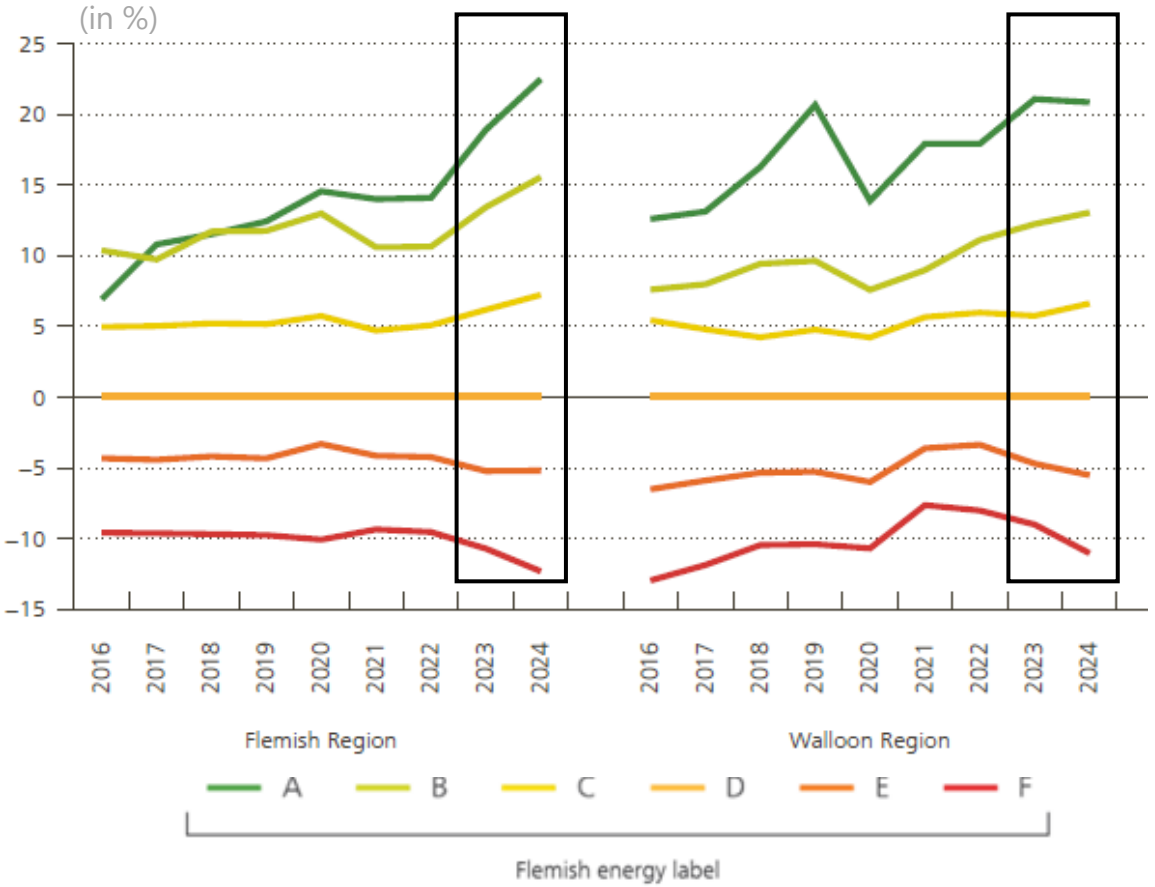


Source: Reusens et al. (2025) Impact of the Flemish energy renovation obligation on house prices, NBB Economic Review.

[1] The charts illustrate the change in the energy label class for the Flemish houses with multiple recorded sales in the dataset, with at least a five-year interval between sales. We could accurately analyse the improvement in energy efficiency only for Flemish houses sold for the second time since 2022. For this group alone, the EPC for the first sale could not be reused for the second sale, meaning the energy score had to be recalculated when the property was resold.

The energy score was already an important determinant of house prices for many years and it has become even more important since 2023

Price difference with a comparable house with a class D energy label[1]



Reason for the increased energy score importance

Buyers and banks are increasingly taking the energy score into account in their purchase decisions and mortgage conditions as a result of:

- Higher and more uncertain energy bills
- The future carbon price for heating fuels
- Higher renovation costs
- (Future) renovation obligations
- Better collection of energy scores by banks

Source: Reusens et al. (2025) Impact of the Flemish energy renovation obligation on house prices, NBB Economic Review.

[1] The study estimates the price difference between homes with different energy labels, while holding all other housing characteristics constant (e.g. age, condition of the home, size and location). Still, our results should be interpreted with caution as we could not control for quality characteristics that are not included in the dataset.

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6. Current energy context

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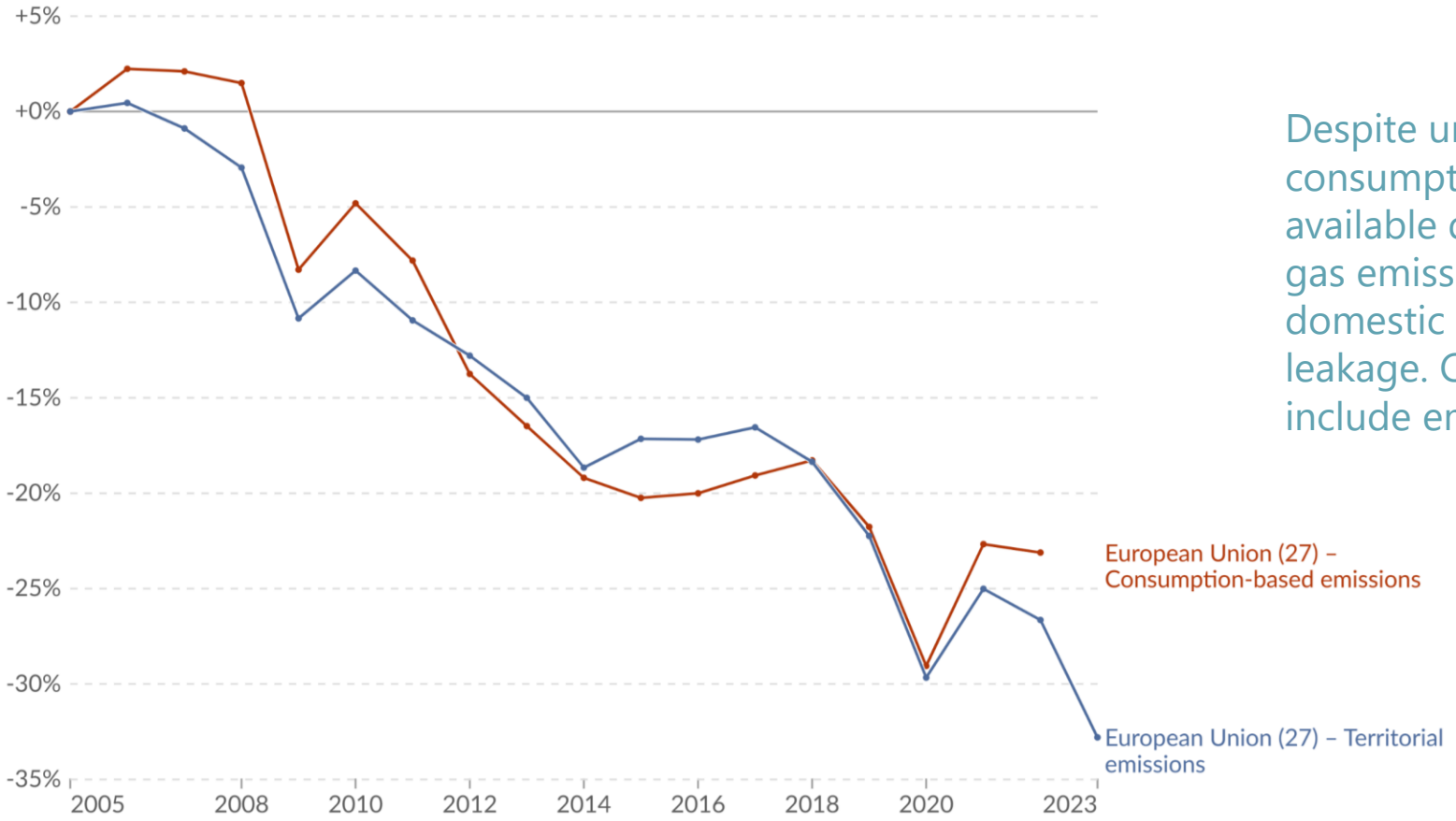
The EU's decrease in greenhouse gas emissions reflects domestic decarbonisation (rather than carbon leakage)

Evolution of greenhouse gas emissions

(consumption-based vs production-based)



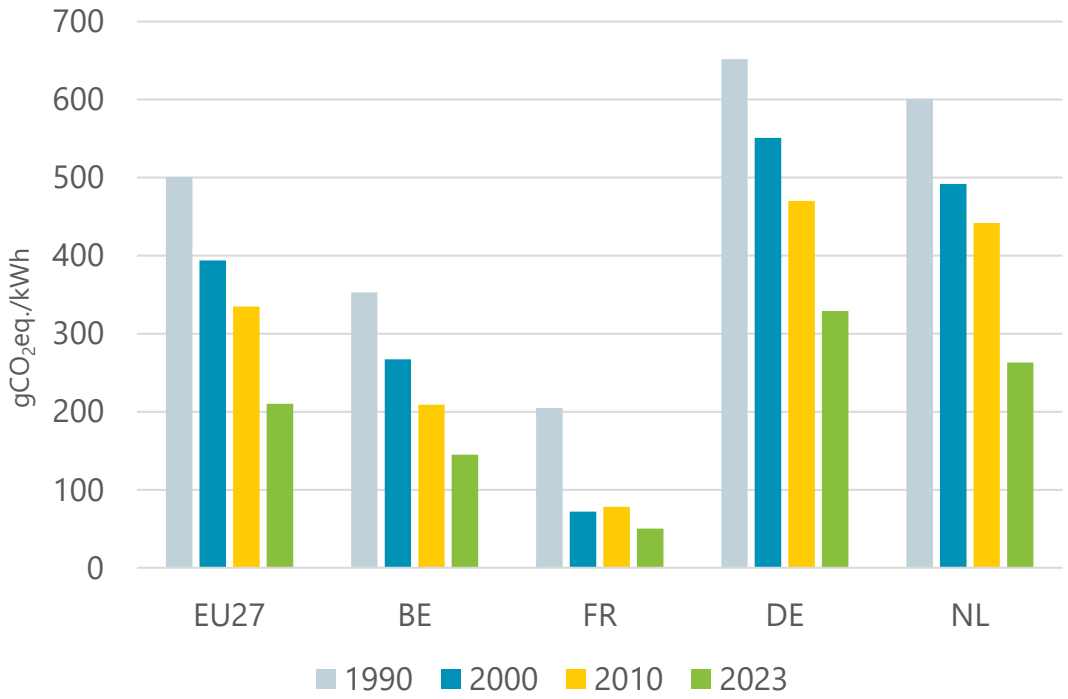
Despite uncertainty surrounding measurement of consumption-based greenhouse gas emissions, available data indicate that reductions in greenhouse gas emissions in the EU27 have been achieved by domestic decarbonisation rather than by carbon leakage. Consumption-based emissions do not include emissions from land-use change.

Sources: Our World in Data based on Global Carbon Project.

While the greenhouse gas intensity of Belgium's energy consumption is declining, substantial fossil-fuel based greenhouse gas emissions remain

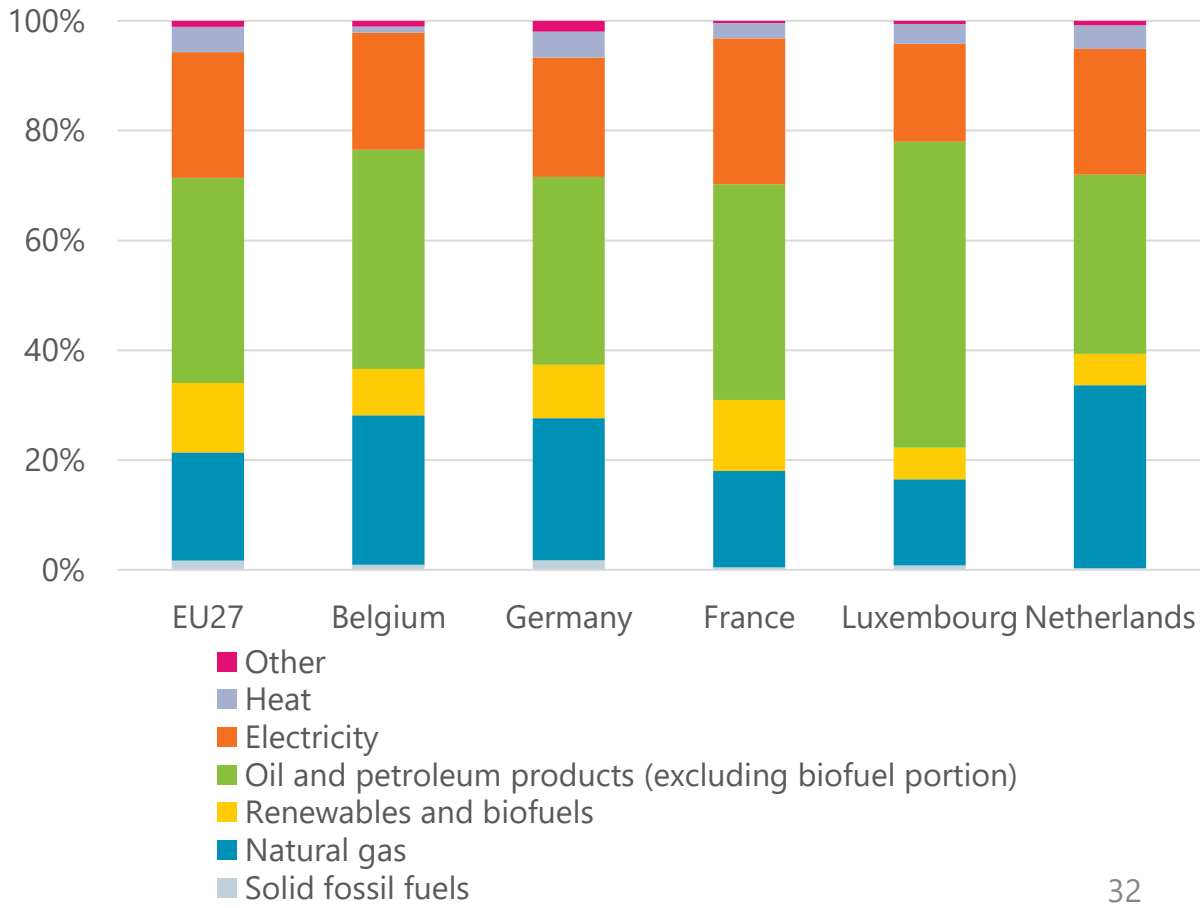
Greenhouse gas emission intensity of electricity generation

($gCO_2eq./kWh$)



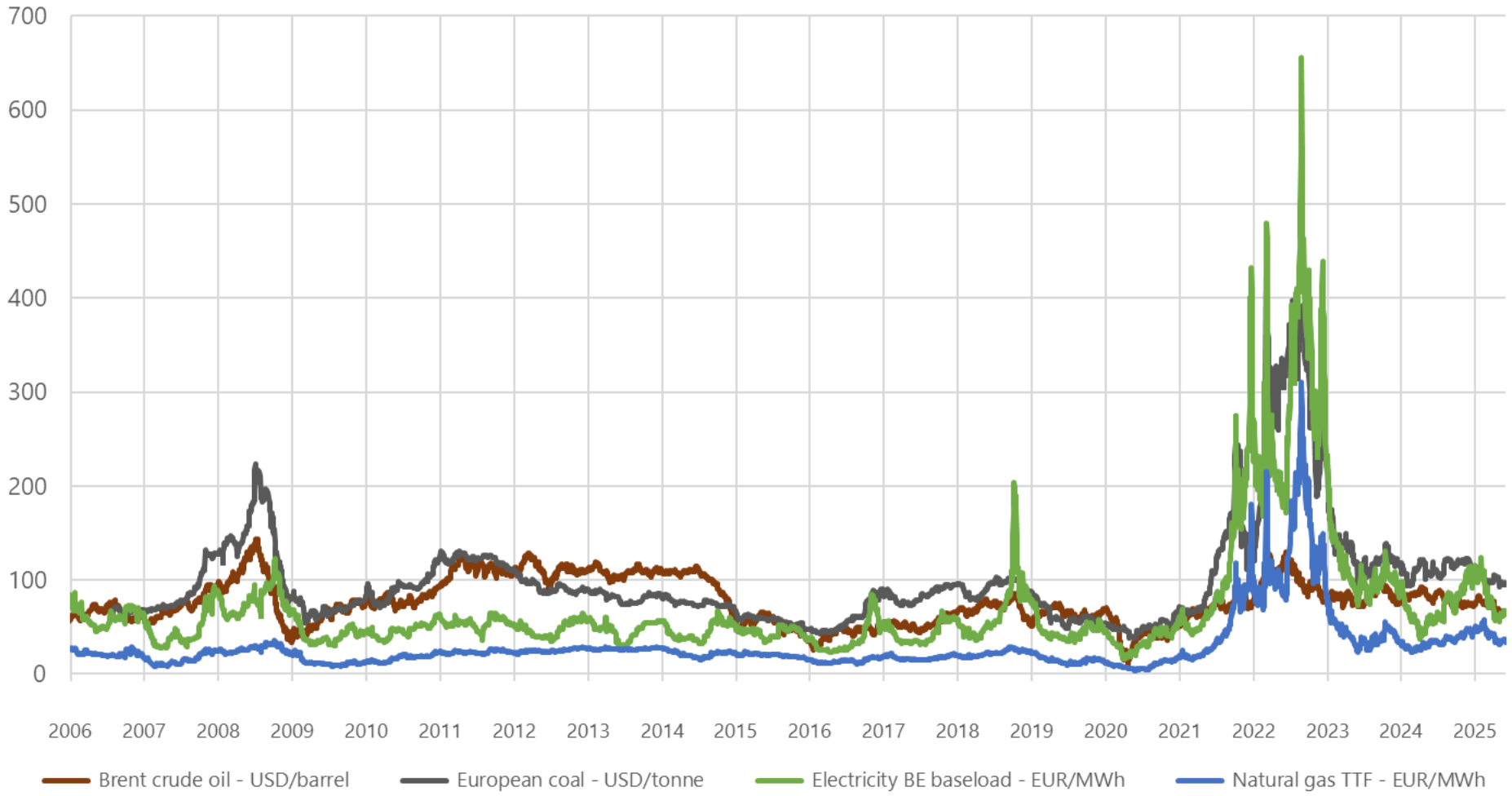
Source: Adapted from European Environment Agency.

Share of energy products in total final energy consumption, 2023



Source: Adapted from Eurostat.

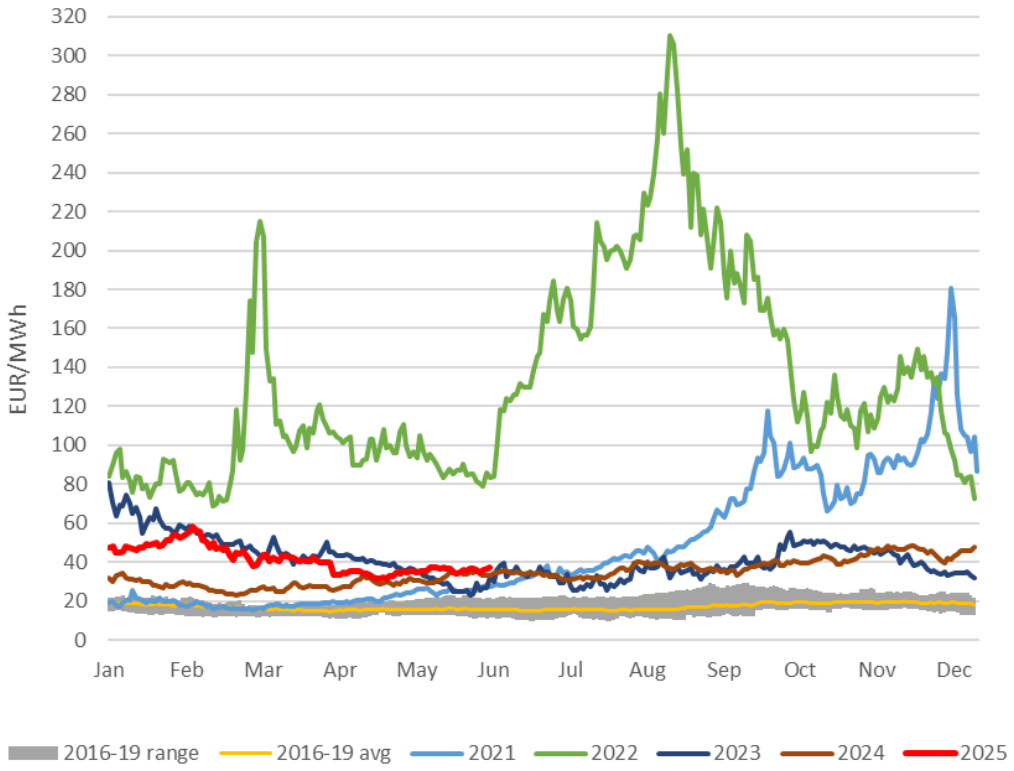
Energy markets have shown signs of stabilization since early 2023, with prices remaining above their pre-crisis level



Source: LSEG.

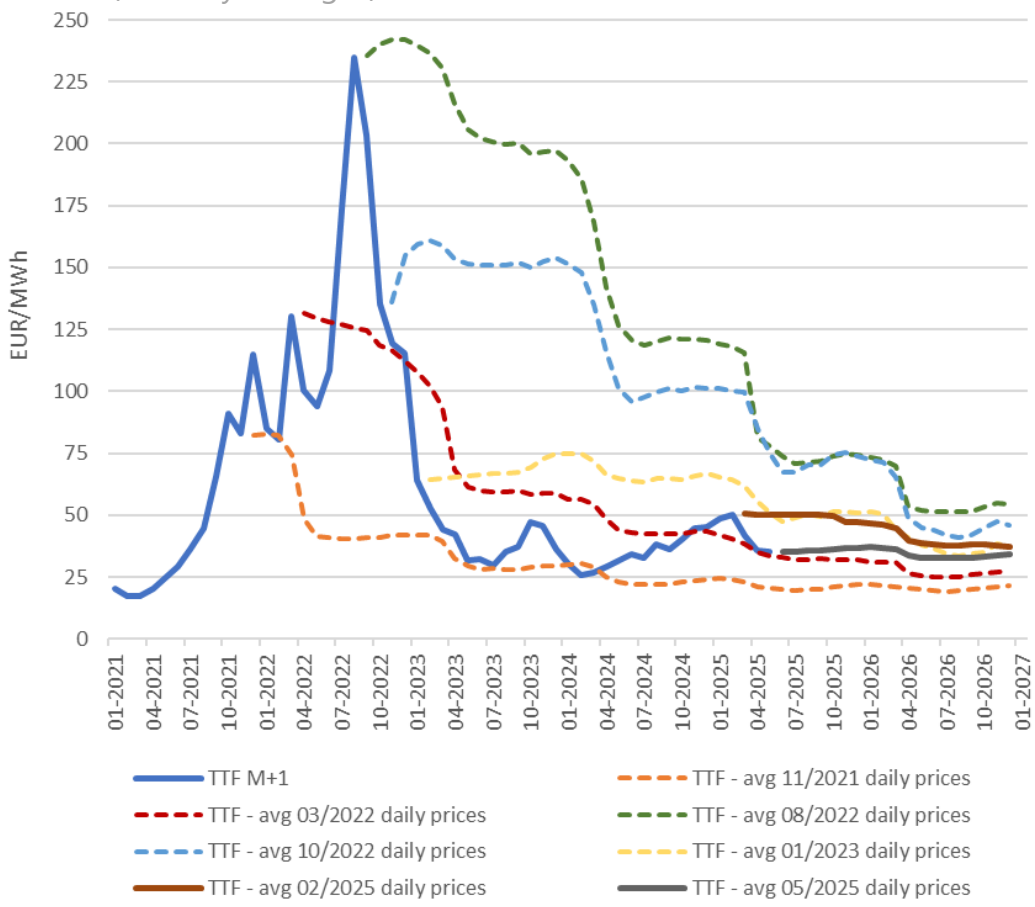
Natural gas spot prices eased but remain above the preceding years average
Futures prices reflect market confidence in adequate supply for the next winter

Dutch TTF[1] – M+1 delivery price



Dutch TTF[1] Futures

(monthly averages)

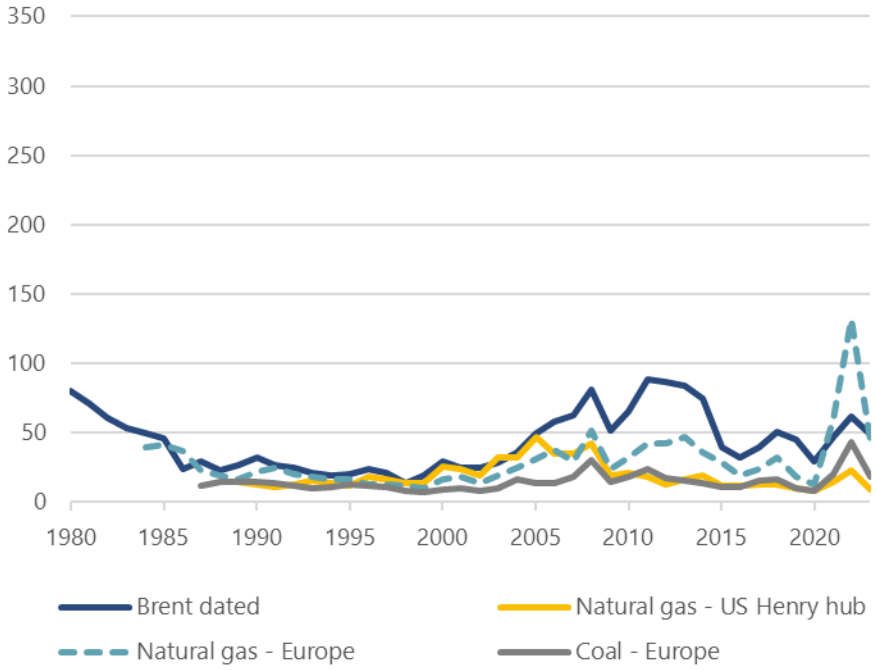


Source: LSEG; last data point: 13 June 2025.

[1] TTF is the Dutch Title Transfer Facility, a virtual trading point for natural gas that acts as reference price.

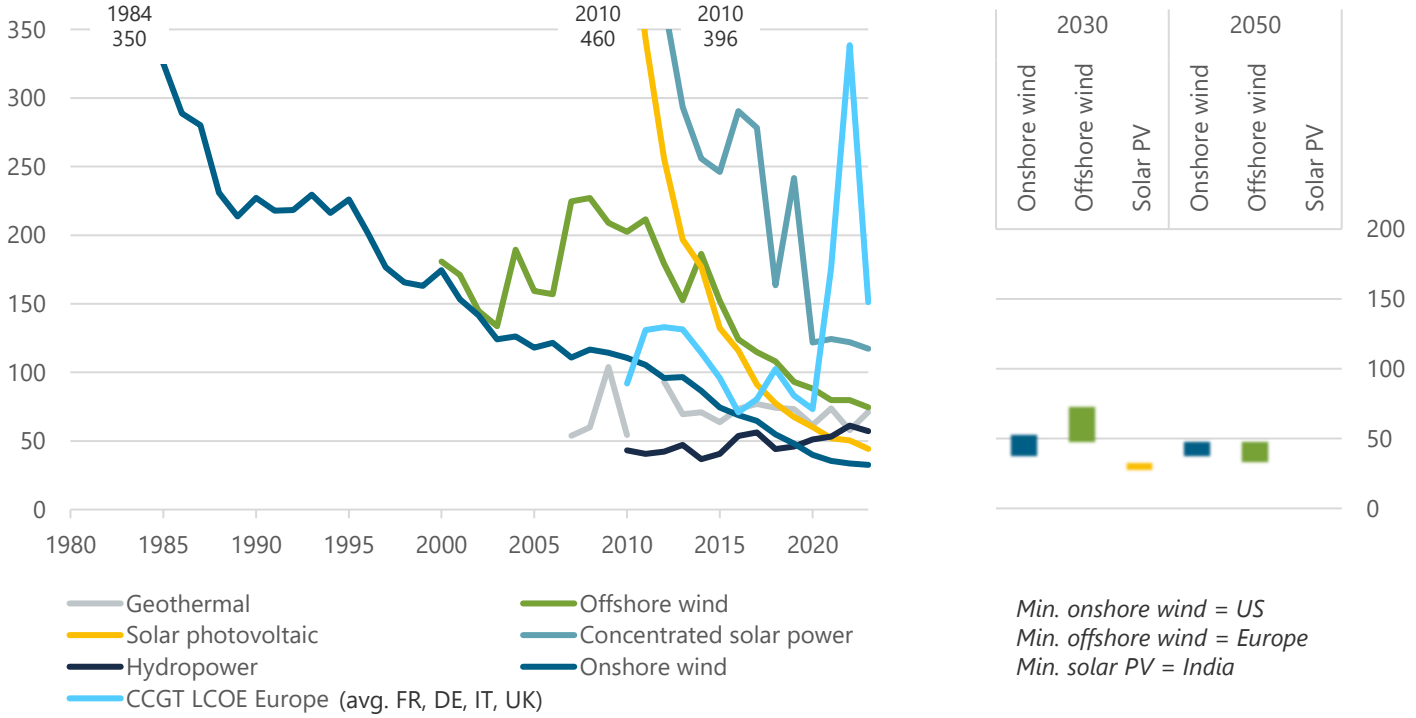
The cost of renewables has declined substantially, thus increasing their competitiveness vis-à-vis fossil fuels. Further cost decreases are expected

Fossil fuel prices
(in $2023/MWh)



Levelised cost of renewable generation today ...
(in $2023/MWh – worldwide)

... and in 2030-2050



Min. onshore wind = US
Min. offshore wind = Europe
Min. solar PV = India

Sources: BP statistical review of world energy (June 2024), LSEG.
Our world in data based on "IRENA Renewable power generation costs in 2024".
"IEA World energy outlook 2024".

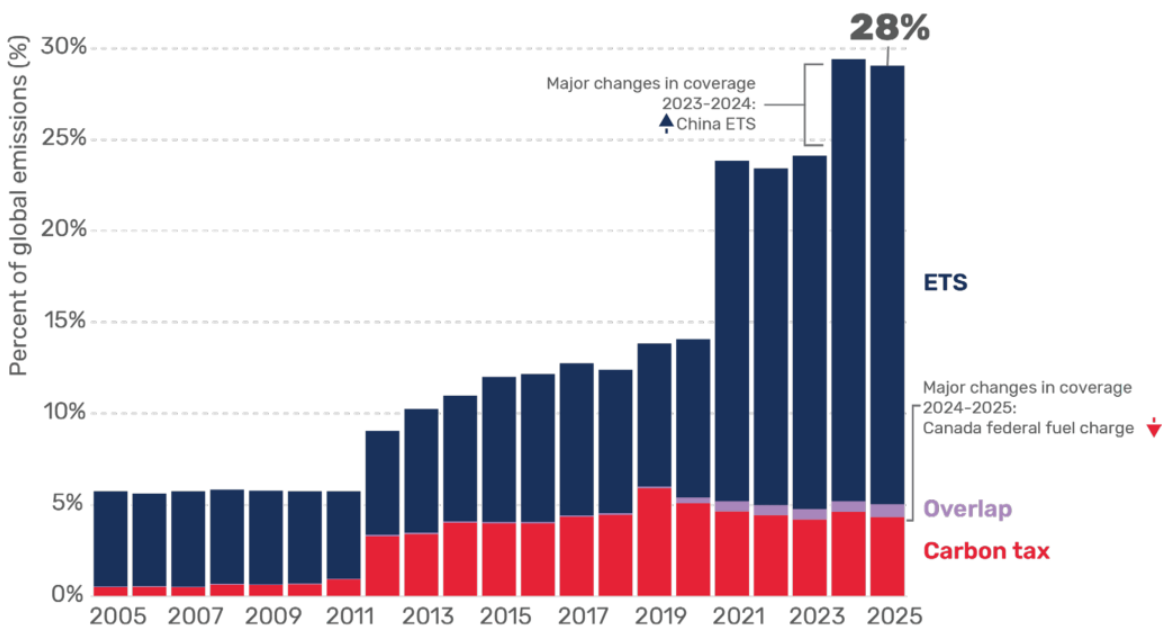


7. Carbon pricing and climate policy instruments

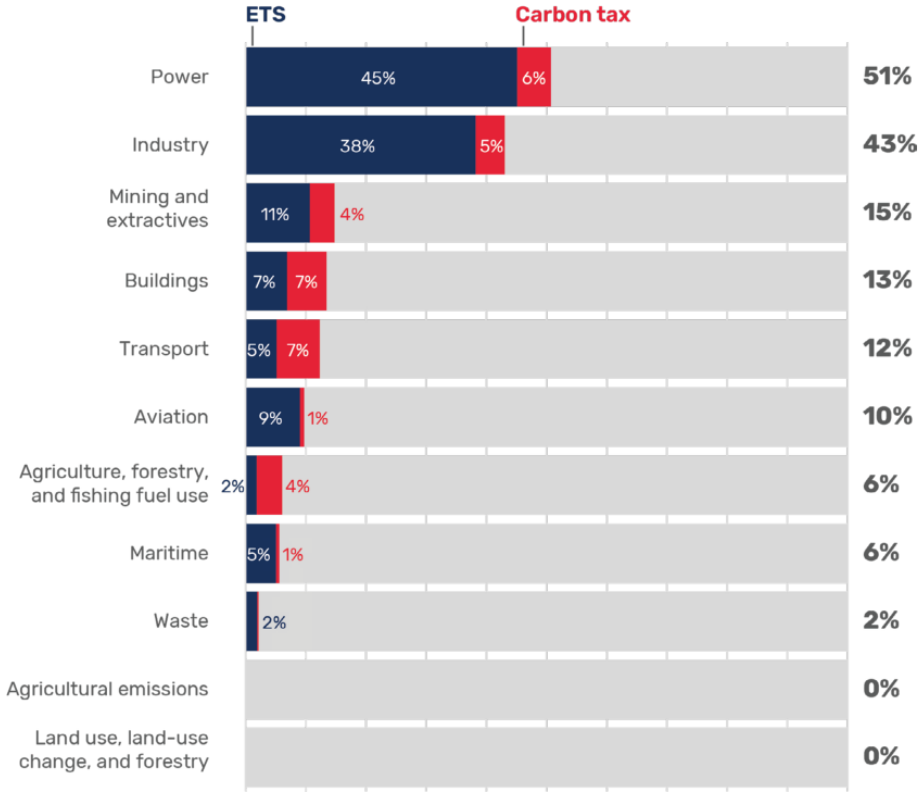
National Bank OF BELGIUM
Eurosystem

Carbon pricing is the key policy instrument to shift relative prices. Its use is, however, still only moderately wide-spread.

Share of global greenhouse gas emissions covered by a carbon price



Share of economic sectors' global greenhouse gas emissions covered by a carbon price

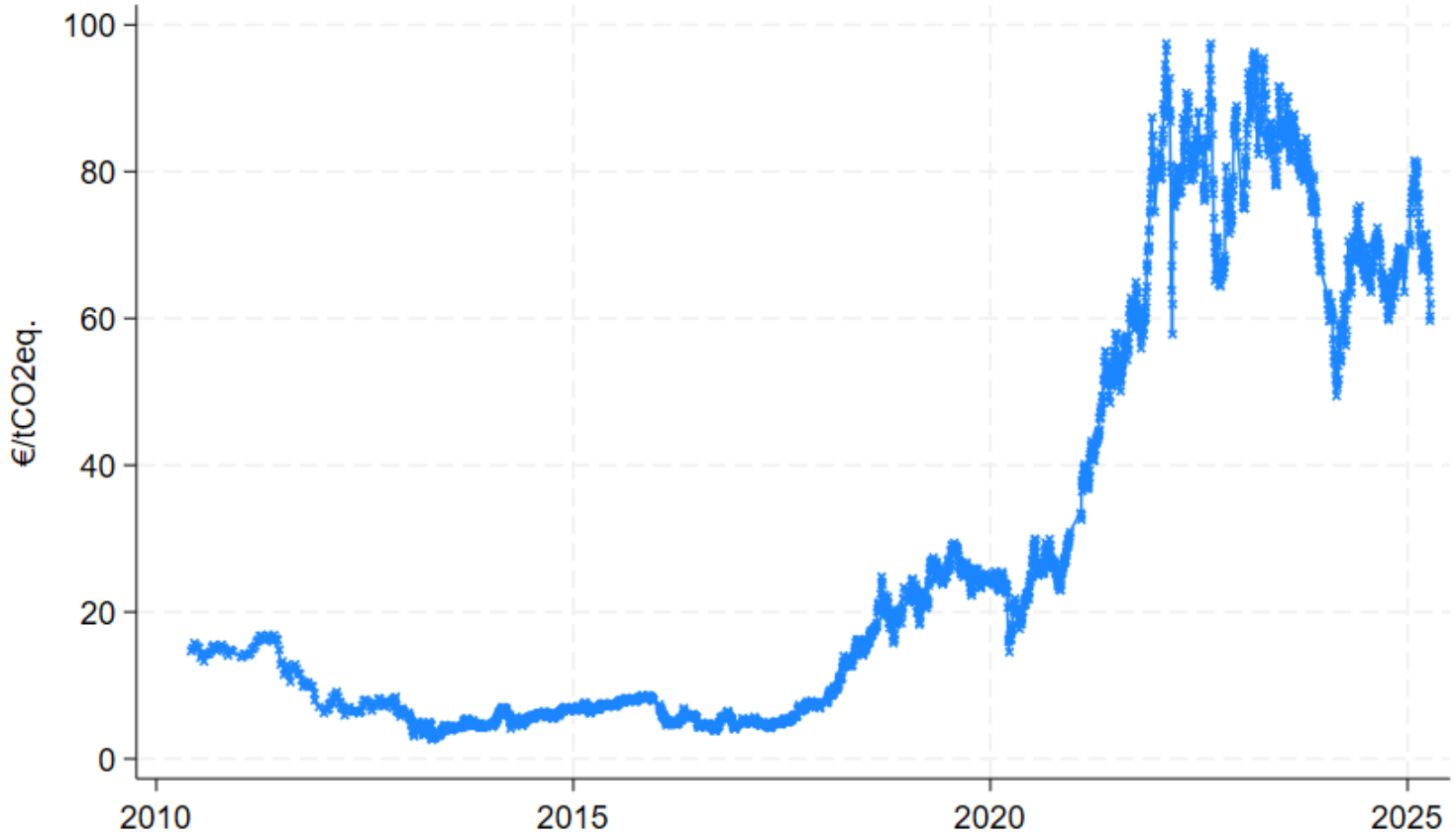


Source: World Bank Group, *State and Trends of Carbon Pricing 2025*.

Through the EU Emissions Trading System, the EU sets a carbon price for the power sector, industry, and domestic aviation. More sectors will be added soon

Carbon price in the EU Emissions Trading System

(nominal €/$tCO_2eq.$)

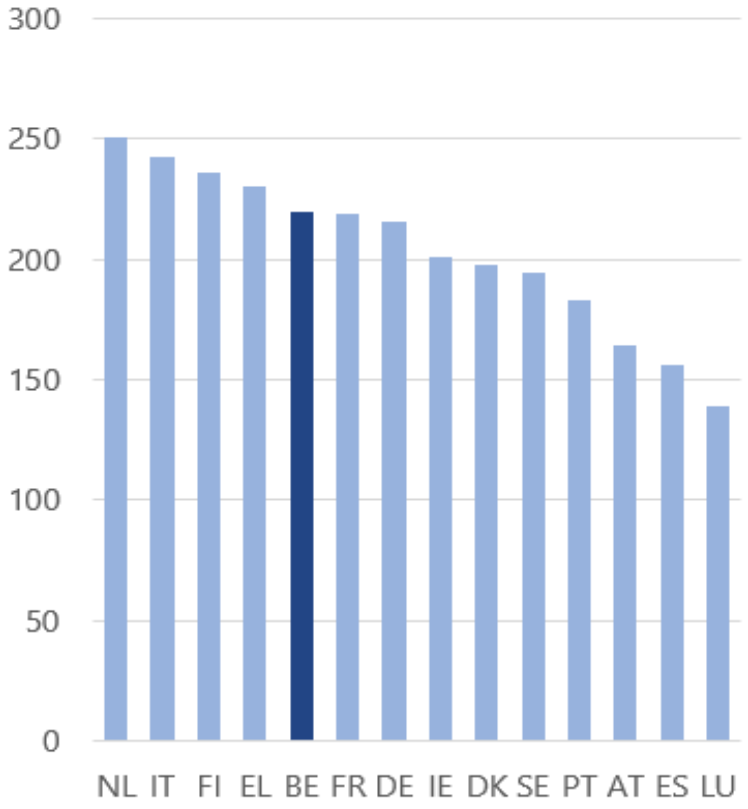


Source: Based on data from ICAP Allowance Price Explorer.

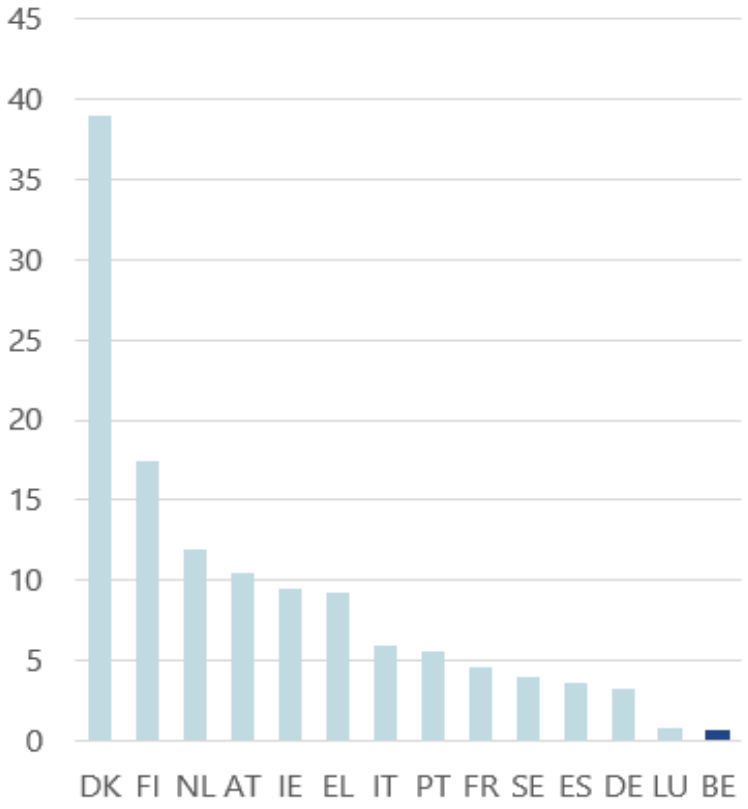
Effective carbon pricing in the economy differs widely across sectors

Average effective carbon price rates: effective carbon price rates show the sum of tradeable carbon emission permit prices, carbon taxes and fuel excise duties

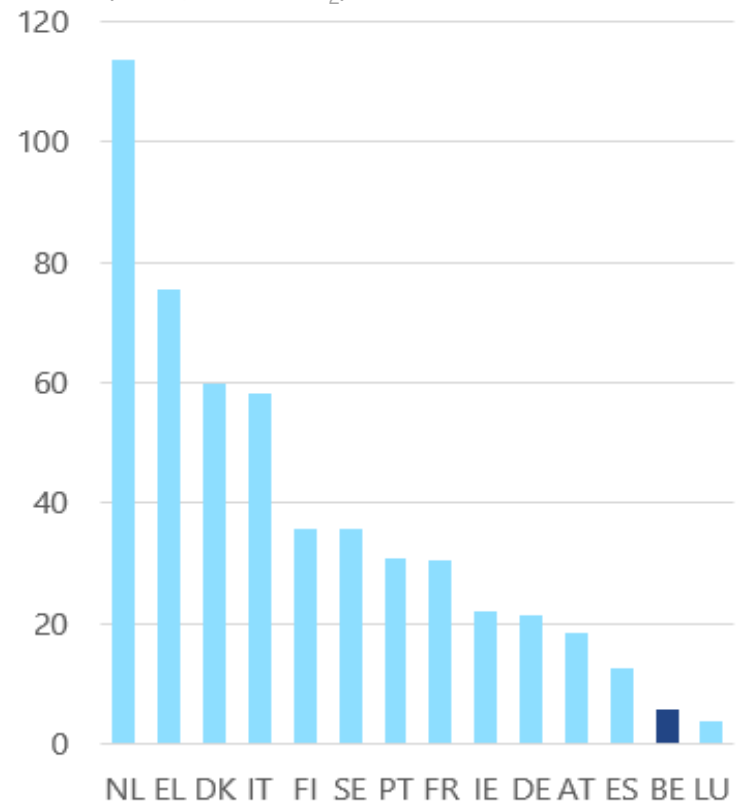
Road emissions[1]
(2018, €/ton CO_2)



Industry emissions[1]
(2018, €/ton CO_2)



Residential and commercial emissions[1]
(2018, €/ton CO_2)



Source: OECD (2019)

[1] including emissions from the combustion of biofuels. Industry emissions only includes national efffective carbon price.

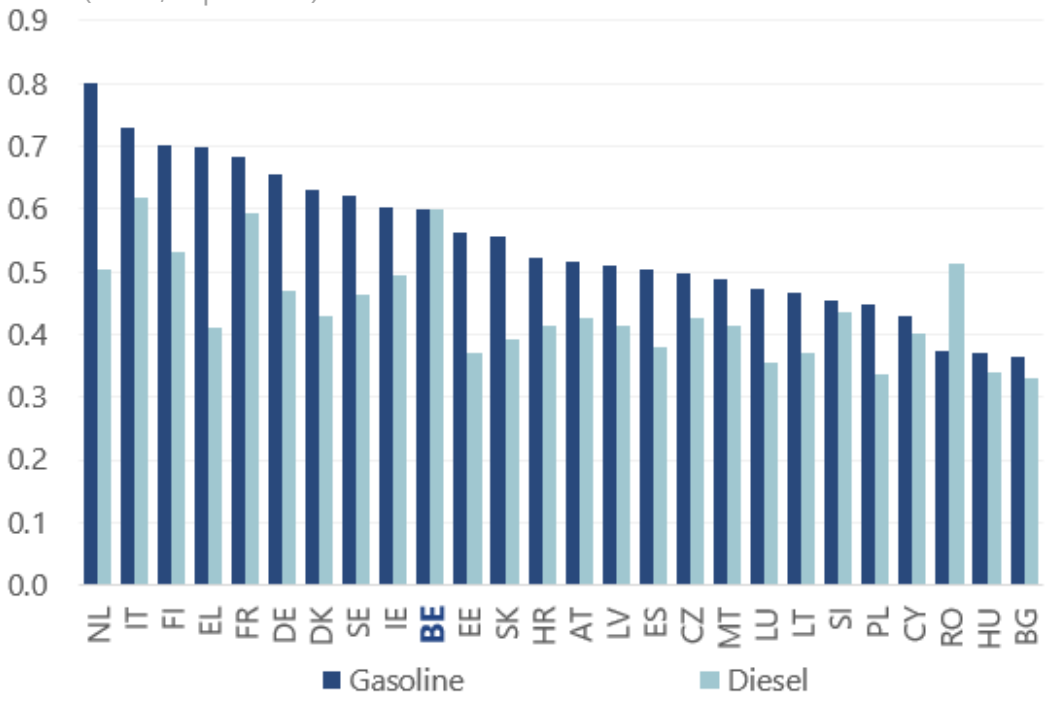
Effective carbon pricing in the economy differs widely across sectors (ctd.)

Average effective carbon price rates: effective carbon price rates show the sum of tradeable carbon emission permit prices, carbon taxes and fuel excise duties

Taxing road emissions

Motor fuel excise duties in Europe

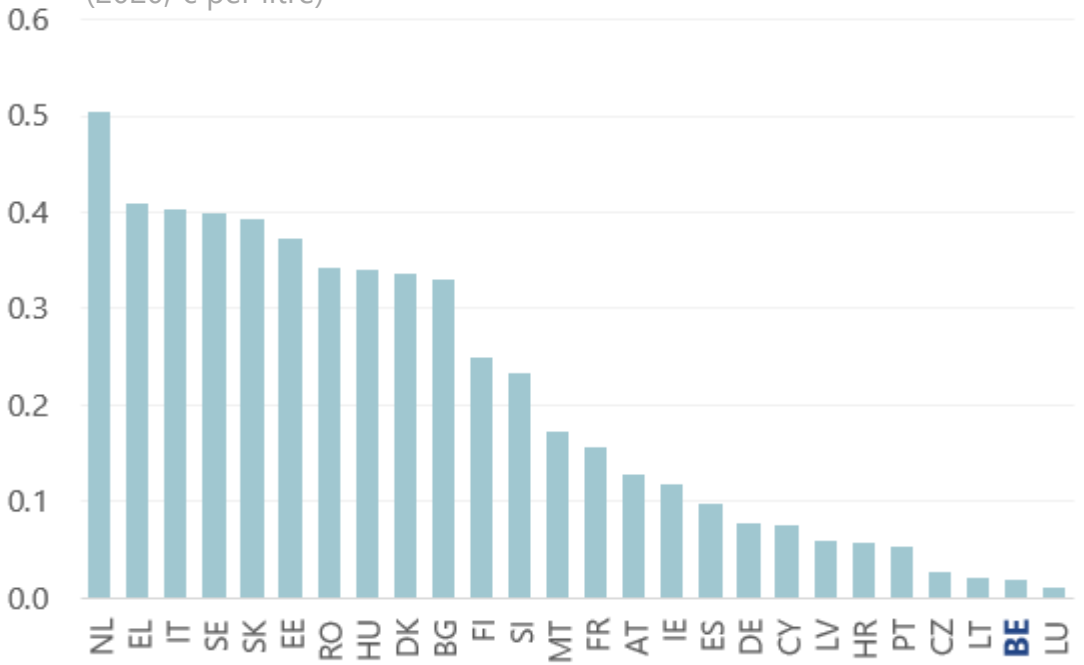
(2020, € per litre)



Taxing residential and commercial emissions

Excise duties diesel in Europe

(2020, € per litre)



Source: OECD (2019)

[1] including emissions from the combustion of biofuels

There is a macroeconomic cost to the transition toward climate neutrality This cost is likely manageable

National Bank of Belgium

- A back-of-the-envelope calculation suggests abatement cost of ca. 17 billion euro per year for Belgium, which translates to ca. 3.5% of GDP today, or about 2-3% of GDP by 2050 (depending on GDP growth between now and then).
- Put differently, we estimate that annual aggregate income growth between now and 2050 would be ca. 0.1 percentage points lower.

International Monetary Fund

- -0.15 to -0.25 percentage points of GDP growth between now and 2030.
- +0.1 to +0.4 percentage point increase in inflation.

European Commission

- GDP changes of between -0.4% to +0.5% of GDP in 2030, and between -1.3% to +2.2% in 2050.

Sources:
NBB: Climate change and the ECB: we need both enthusiasm and realism
European Commission: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0176&from=EN and A Clean Planet for all - A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy
IMF: World Economic Outlook, October 2022: Countering the Cost-of-Living Crisis

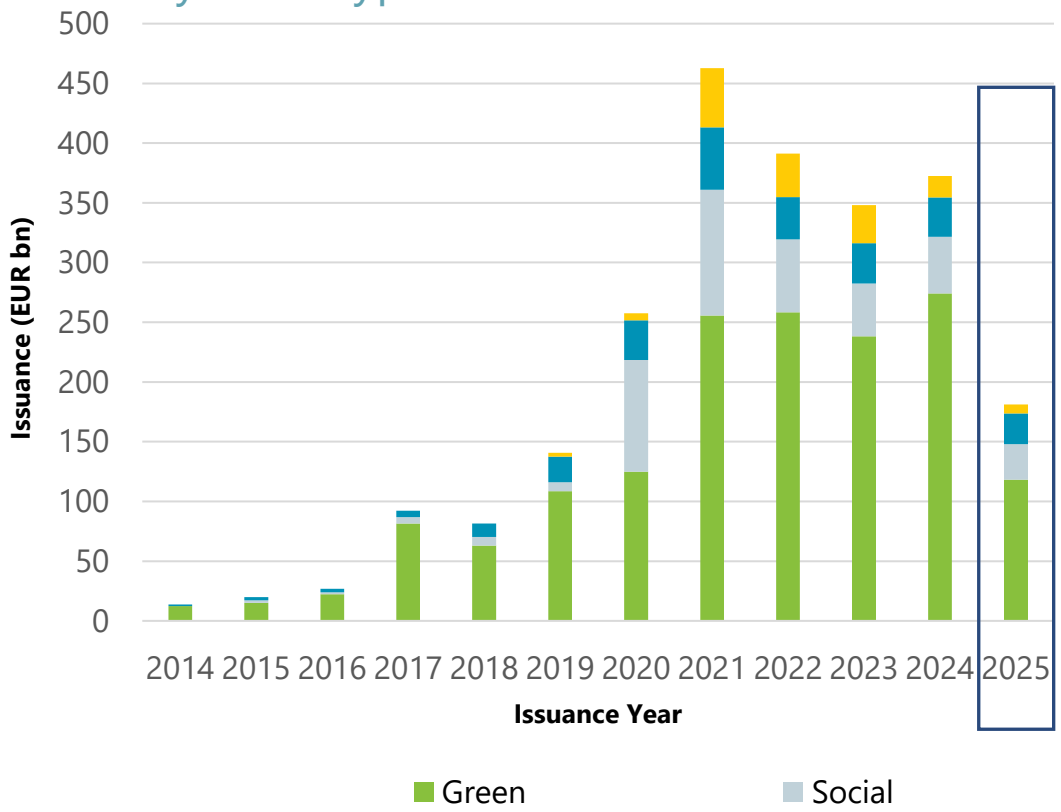
Note: Co-benefits are not included in the above estimates. According to European Commission estimates, improved air quality would lead to co-benefits of +218-459 billion euro per year for the EU27 alone.



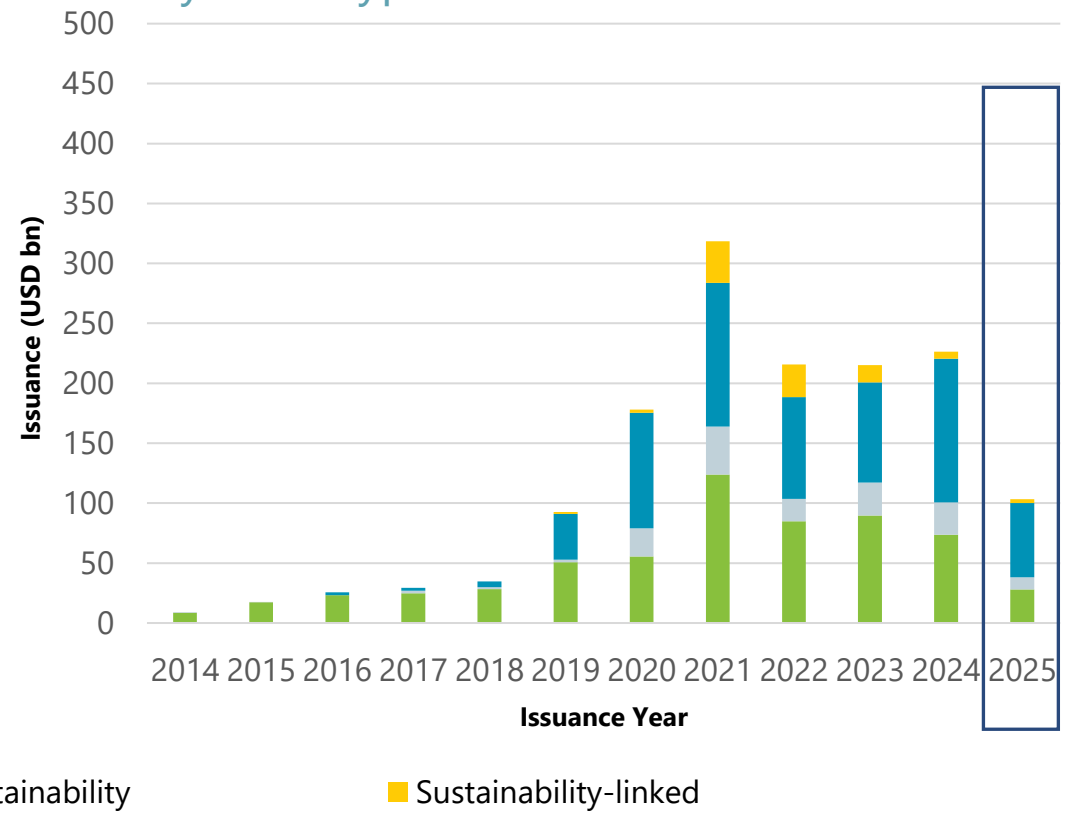
8. Sustainable finance market

Total ESG bond issuance in EUR and USD remains at high level

EUR-denominated ESG Bond Issuance by bond type



USD-denominated ESG Bond Issuance by bond type

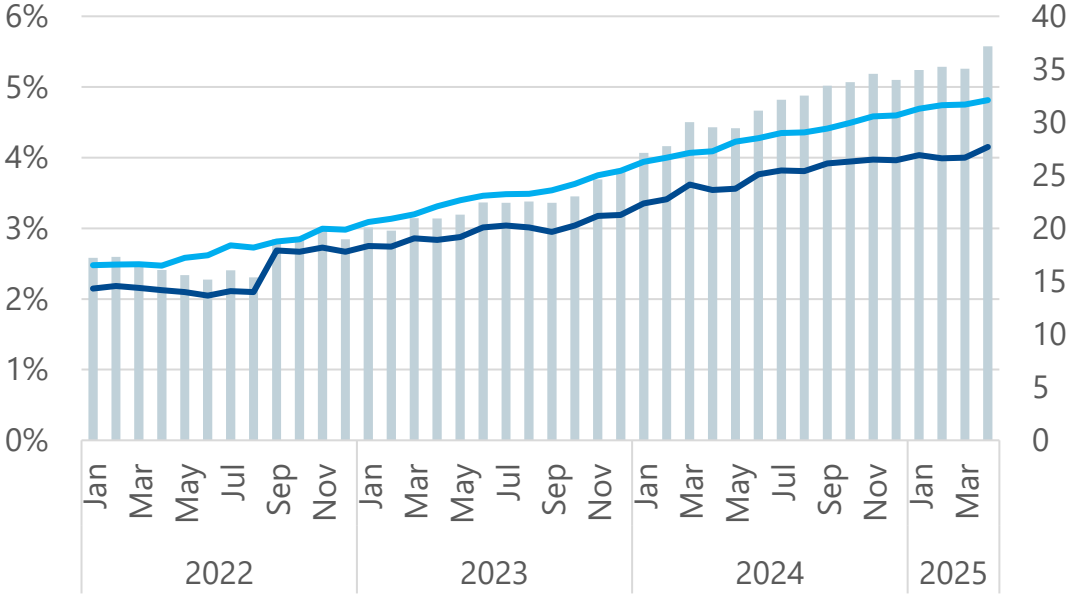


Green Social Sustainability Sustainability-linked

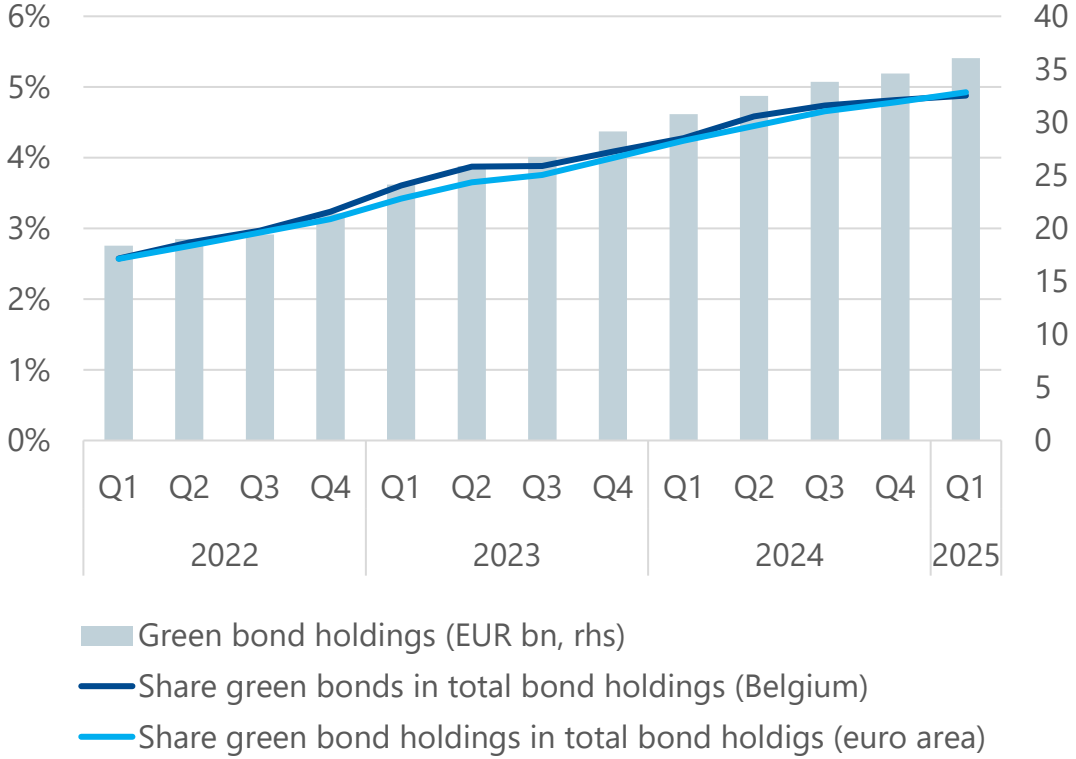
Source: Bloomberg/NBB.
Note: 2025 represents 2025 YTD (13 June 2025).

Green bond issuances and holdings in Belgium continue to increase

Green bond issuances in Belgium



Green bond holdings in Belgium



Source: ECB
Note: Issuances and holdings of financial and non-financial sectors. All self-labelled green bonds are included.

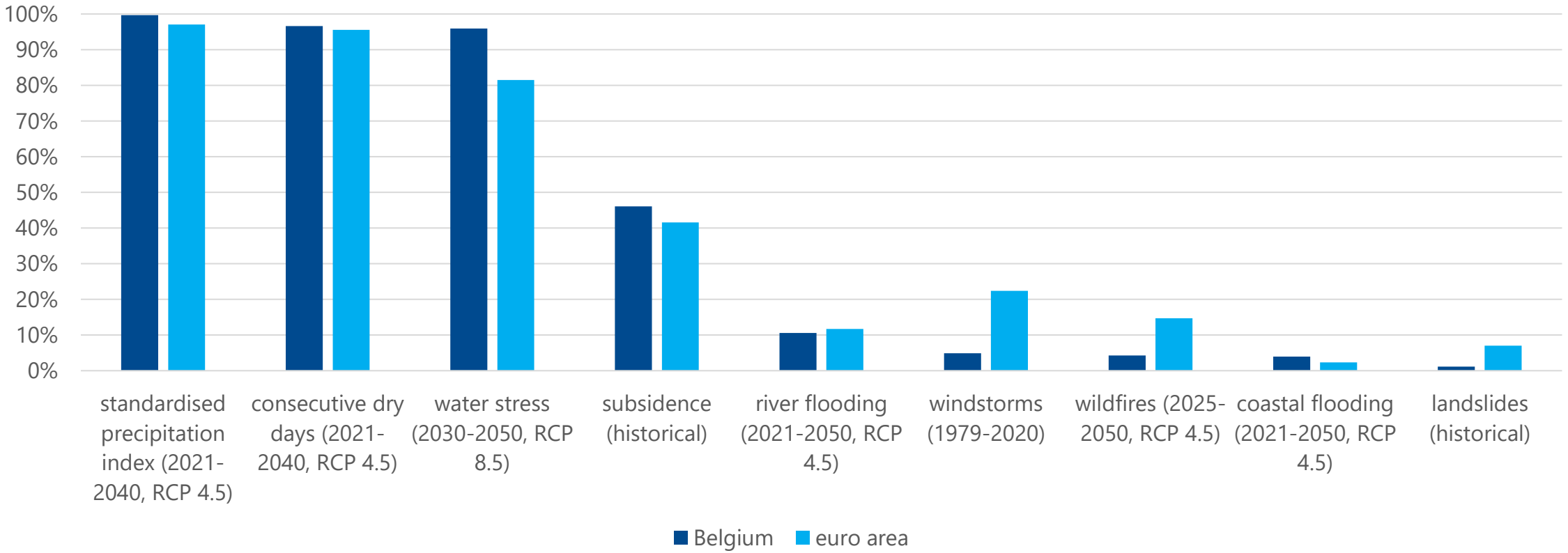


9. Physical risk in the Belgian financial sector

Extreme dry and wet conditions, along with water stress, represent the main physical climate risks for financial institutions in Belgium and the broader euro area

Potential exposure at risk (PEAR): Belgian vs euro area financial sector

(2022)



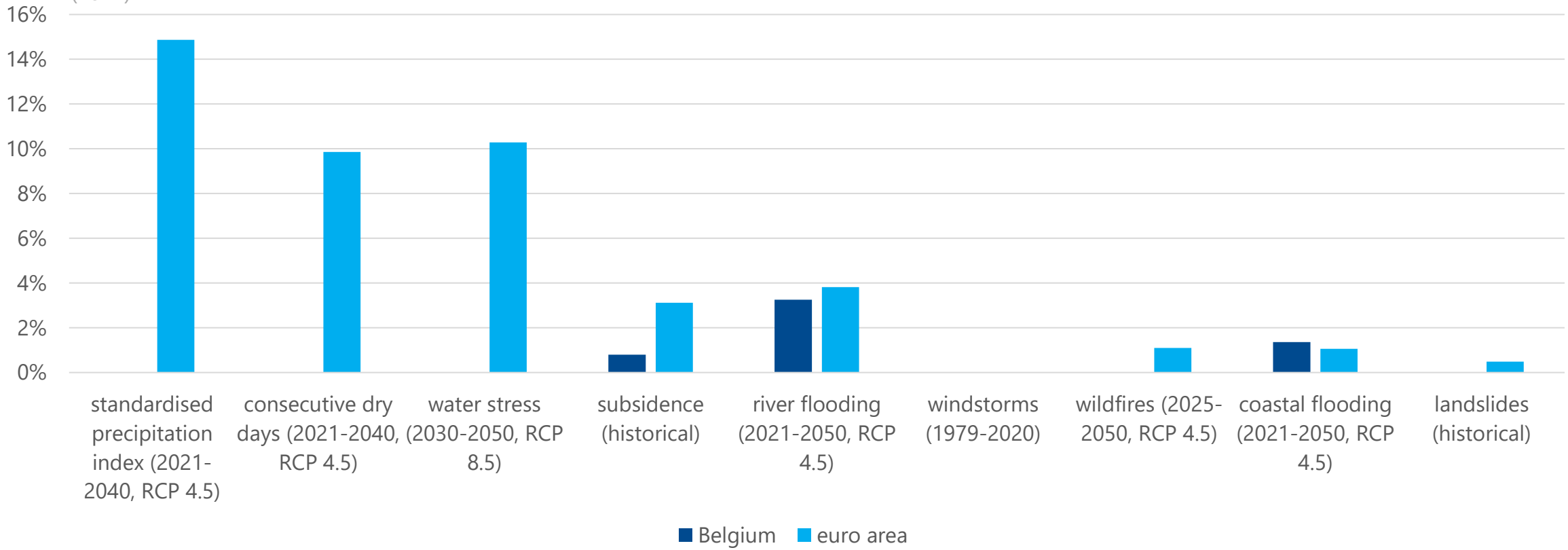
Source: ECB

Notes: Financial sector contains deposit-taking institutions, investment funds, insurance companies and pension funds. Financial sector exposures include loans to non-financial corporations and listed shares and debt securities issued by non-financial corporations. PEAR can be considered as a measure of the prevalence of a natural phenomenon, encompassing all exposures without considering the vulnerability of affected issuers should an event occur. Indicators are analytical and should be used with caution.

A smaller but still significant share of (euro area) financial portfolios is exposed to non-financial firms facing high physical risks from extreme dry/wet conditions and water stress

Share of financial sector exposures with high physical risk: Belgium vs euro area

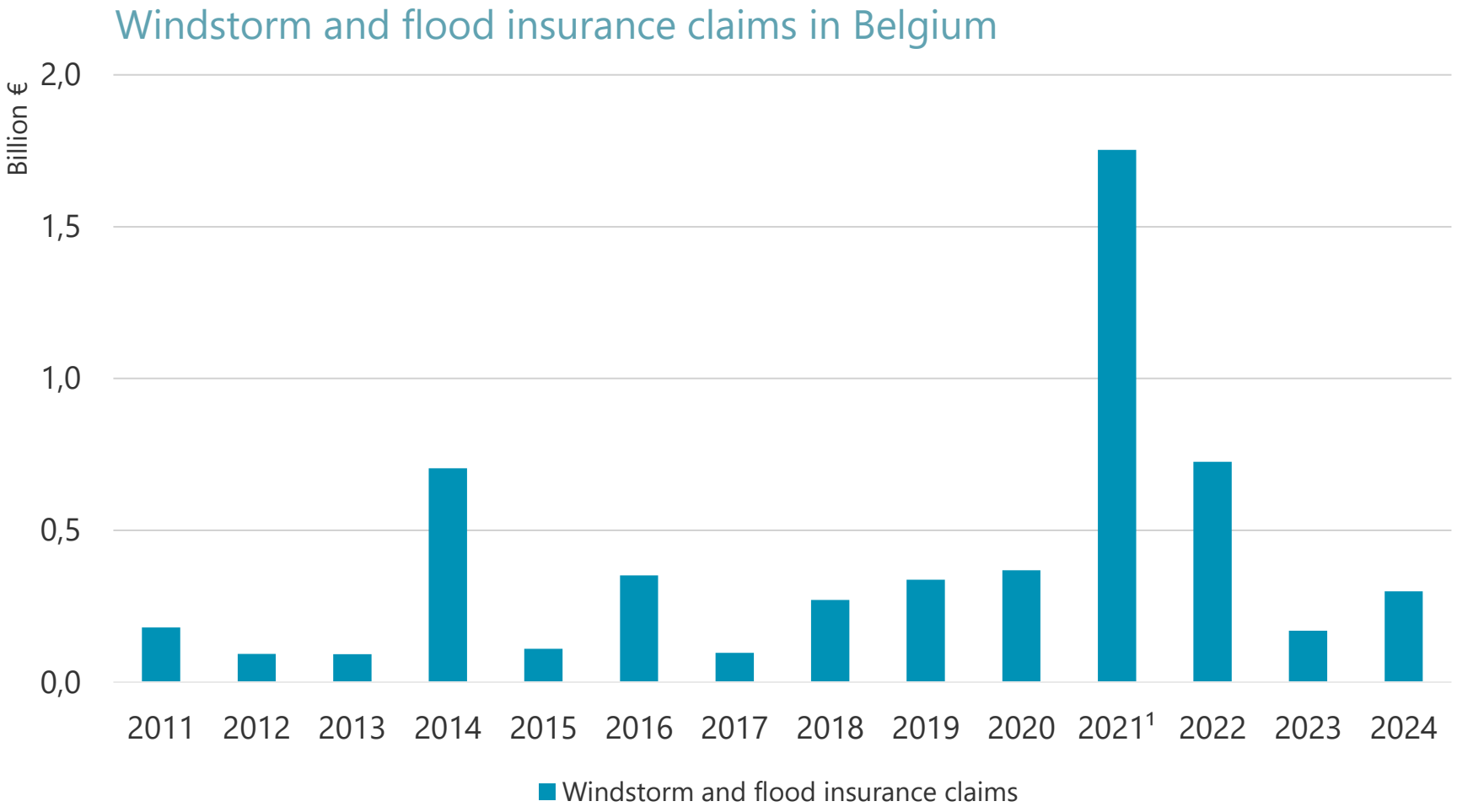
(2022)



Source: ECB.

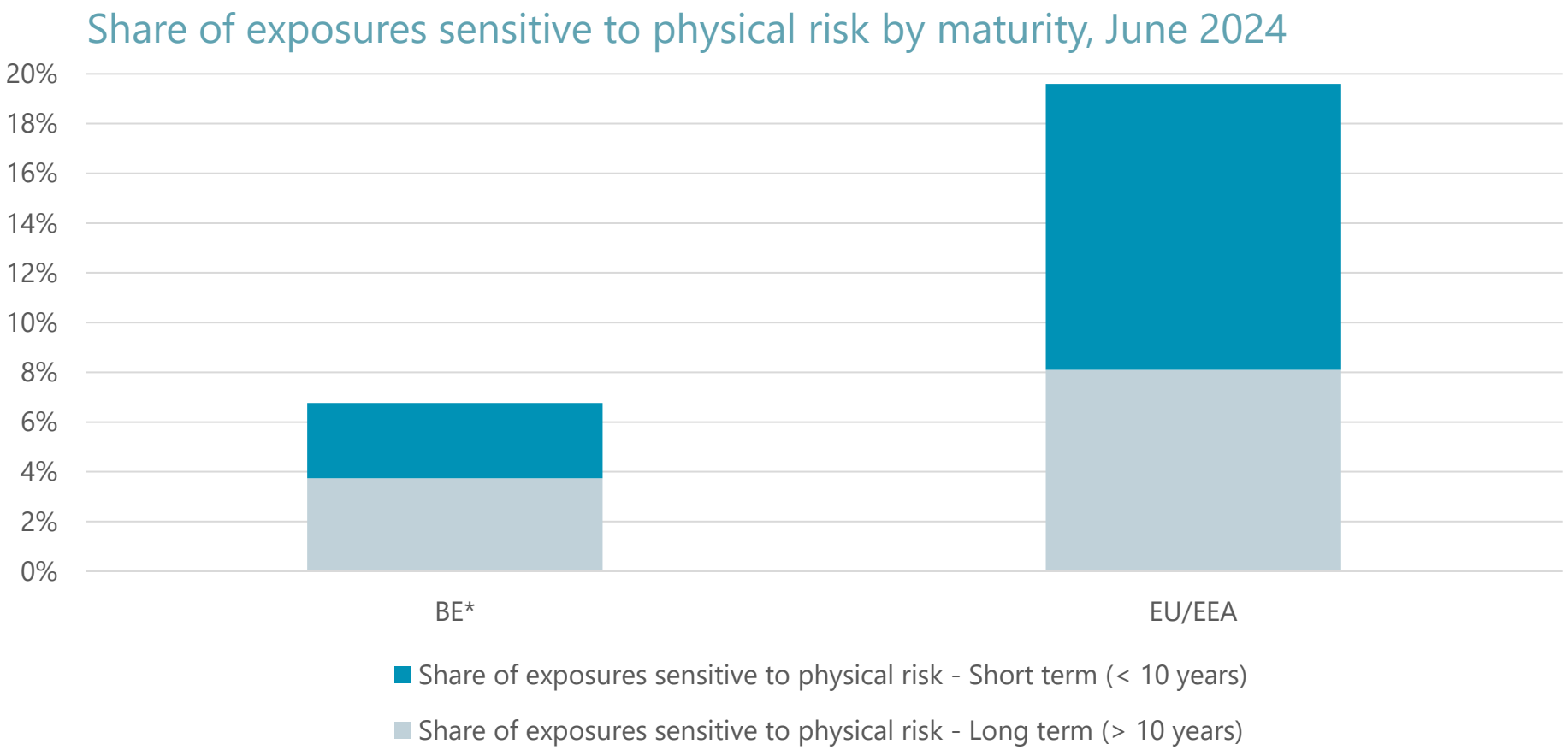
Notes: Financial sector contains deposit-taking institutions, investment funds, insurance companies and pension funds. Financial sector exposures include loans to non-financial corporations and listed shares and debt securities issued by non-financial corporations. For confidentiality reasons, the share of high-risk exposures of the Belgian financial sector is only available for subsidence, river and coastal flooding, and windstorms.
Indicators are analytical and should be used with caution.

2021 flood event greatly increased insurance claims for natural catastrophes



Source: Assuralia and NBB
See: Moniteur des dommages climatiques | Assuralia.
[1] In 2021, the total claims of the 14-16 July flood event was 2.4 billion €. 1.4 billions was covered by the insurance sector.

Pilar 3 bank disclosures show that the share of exposures subject to physical risk of Belgian institutions is notably lower than the European average



Source: ESG Pilar 3 disclosures.
Note: Data are based on ESG Pilar 3 disclosures, with entities being considered at their highest level of consolidation. Data include NFC loans and mortgages,
* BE data take into account four large Belgian credit institutions.

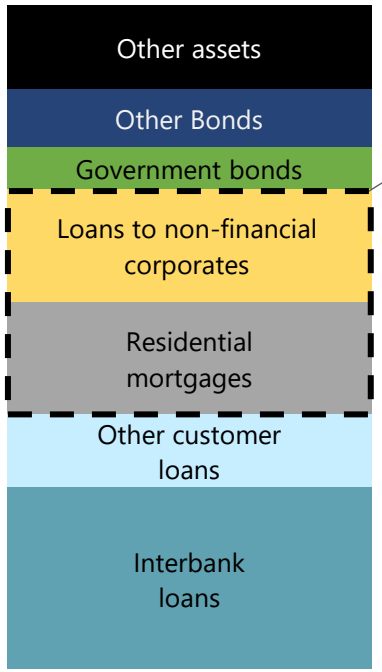


10. Transition risk in the Belgian financial sector

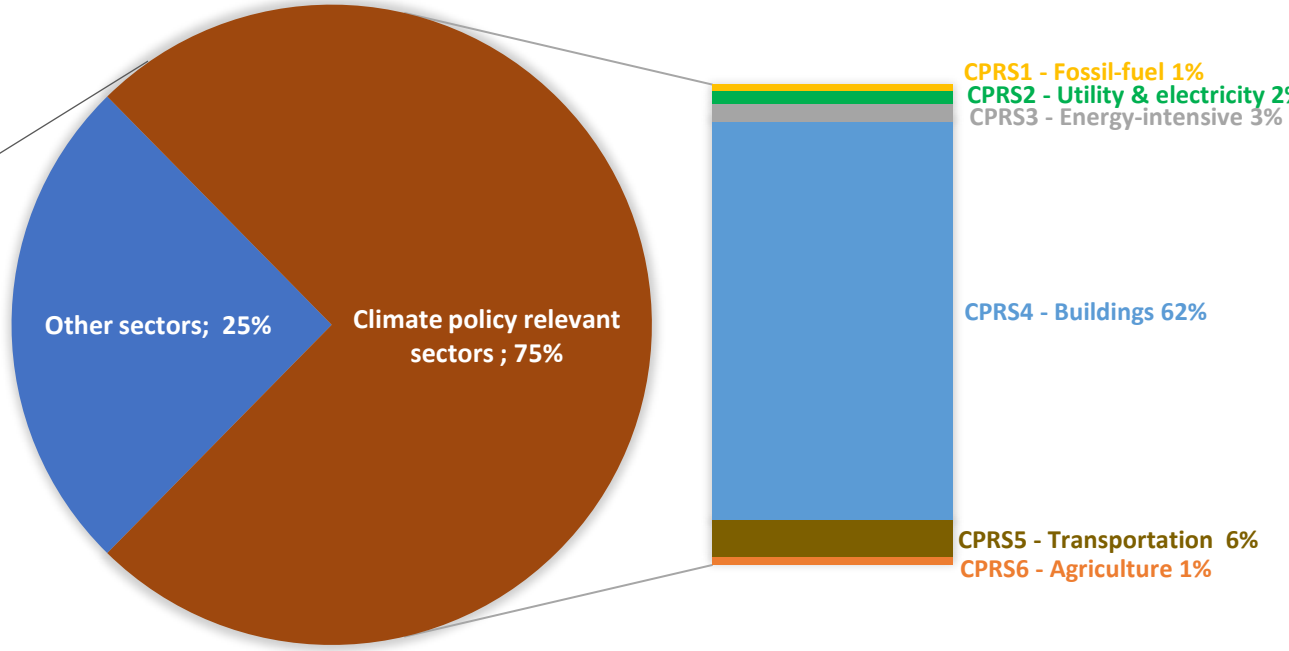
Real estate exposures are the main source of transition risk for Belgian banks

Belgian banks' loan exposure to climate policy relevant sectors, end 2024

Banks' assets



Loans to non-financial corporates (NFCs) and residential mortgages



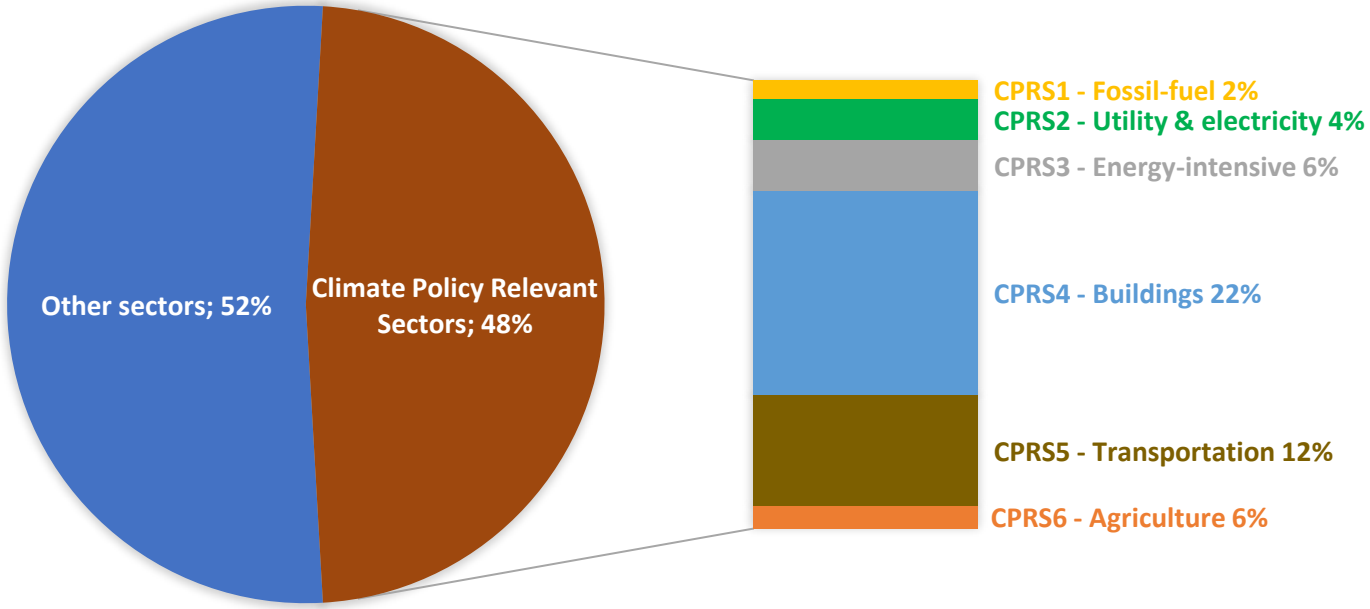
- 75% of banks' loans to non-financial corporates and residential mortgages have counterparties in "climate policy relevant sectors" (CPRS)
- Climate policy relevant sectors are defined as economic activities that could be affected in a disorderly transition. They are identified based on their contribution to GHG emissions, their relevance for climate policy implementation and their role in the energy value chain.
- There are of course differences in GHG intensity and overall vulnerability to transition risks between companies within sectors, which are not considered in this analysis.
- Of all climate policy relevant sectors, real estate exposures represent the largest sector, making up 62% of all loans to NFCs and mortgages: see slides 55 through 61

Source: NBB.
Note: Data are based on financial reporting and on the Corporate Credit Register. All loans and mortgages exclude securitisation. Residential mortgages only take into account Belgian counterparts. The CPRS classification is based on Battiston et al. (2017).

Real estate exposures are the main source of transition risk for Belgian banks

Belgian banks' non-financial corporate loan exposure to climate policy relevant sectors, end 2024

Loans to non-financial corporates (NFCs)



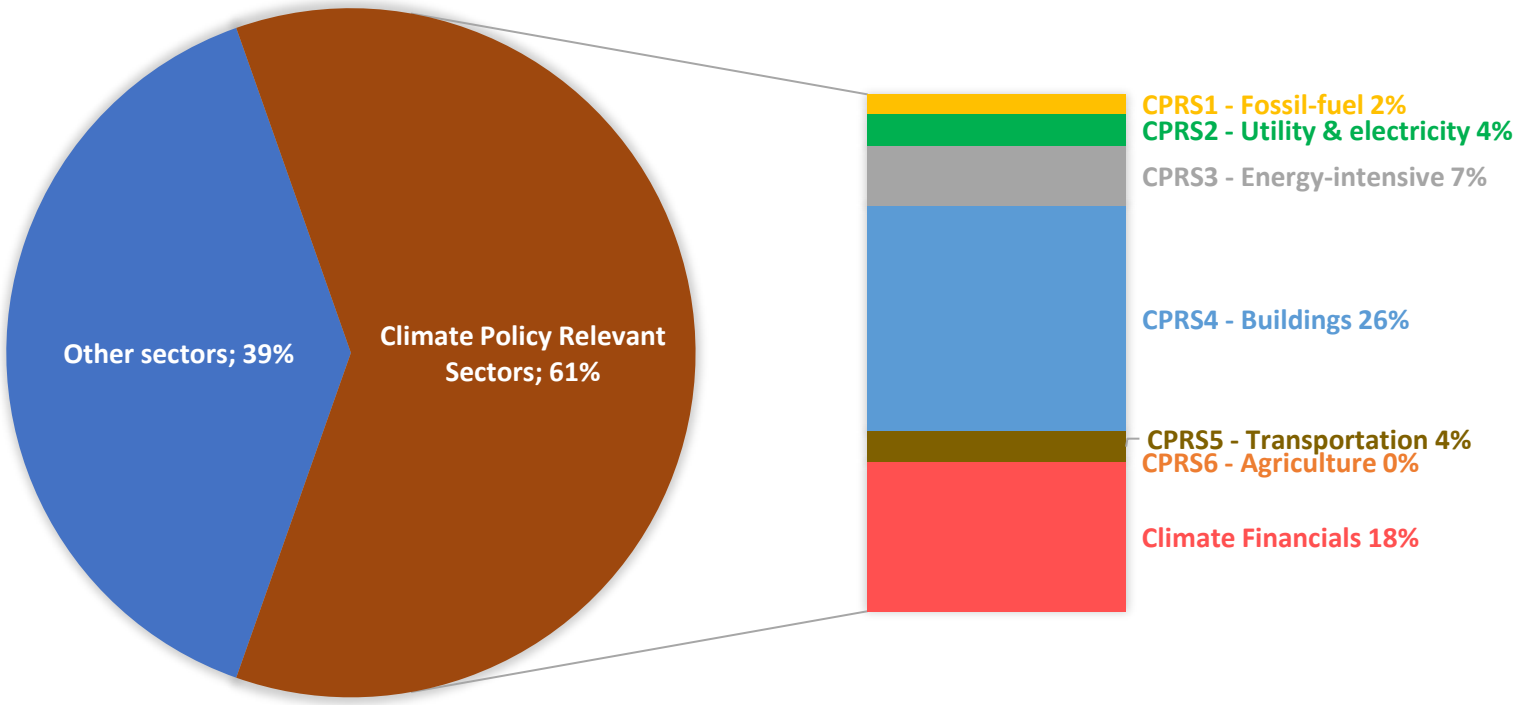
- 48% of banks' loans to non-financial corporates are considered climate policy relevant sectors.
- Of all climate policy relevant sectors, real estate exposures represent the largest sector, making up 22% of all loans to NFCs
- There are of course differences in GHG intensity and overall vulnerability to transition risks between companies within sectors, which are not considered in this analysis.

Source: NBB

Note: Data are based on financial reporting and on the Corporate Credit Register. All loans and mortgages exclude securitisation. Residential mortgages only take into account Belgian counterparts. The CPRS classification is based on Battiston et al. (2017).

Also for Belgian insurance companies, real estate exposures are the main source of transition risk

Belgian Insurance Companies' EQUITY/CORPORATE BONDS/LOANS/ MORTGAGES exposure to greenhouse gas intensive sectors (end 2024)



Climate Financials refers to an estimated portion of the assets that belong to the financial sector that would have been classified as climate relevant sectors if properly looked through.

Those assets, include participation in other insurance companies or banks and holdings of investment funds, which are not looked through.

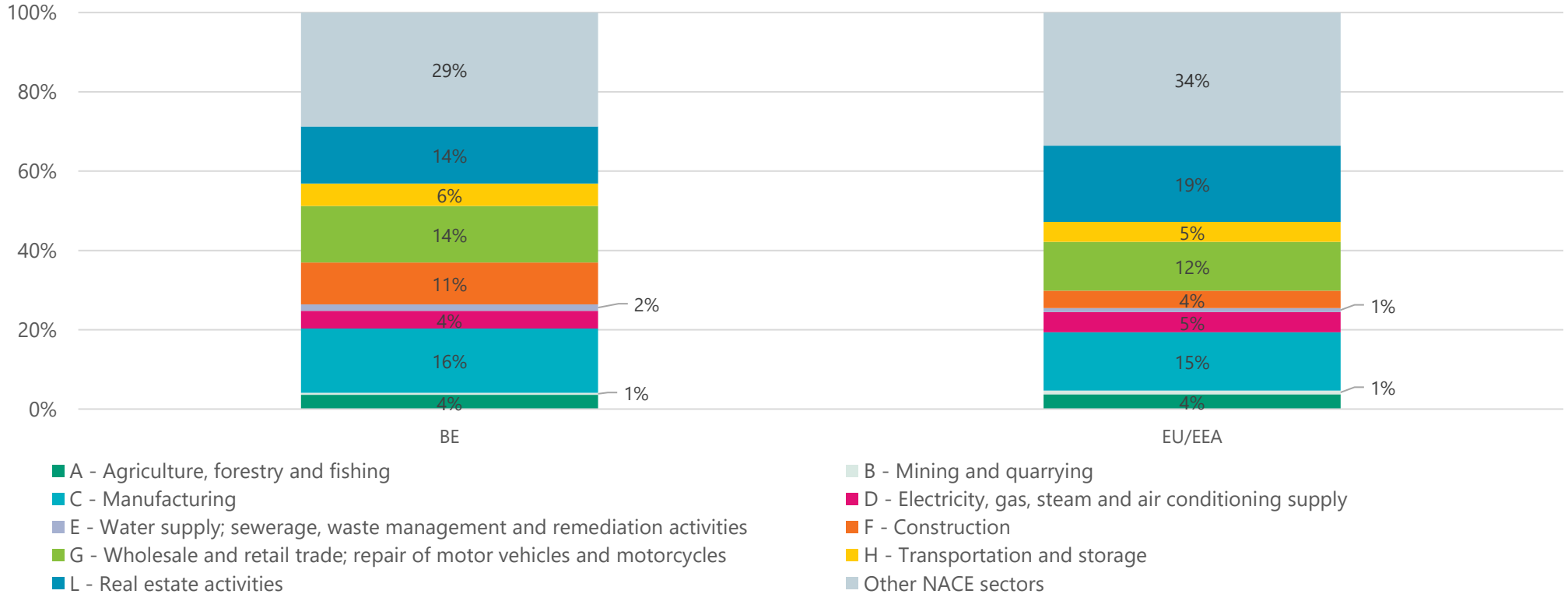
To approximate the exposures that would result from a look-through approach, it was assumed that entities or funds classified in the financial sector include climate-relevant assets in a similar proportion to that of assets directly held by insurers.

Source: NBB.

The largest Belgian banks show a slightly higher exposure to sectors highly contributing to climate change than the European banks, driven by exposure to real estate (including construction)

Share of exposures to NFCs in sectors highly contributing to climate change

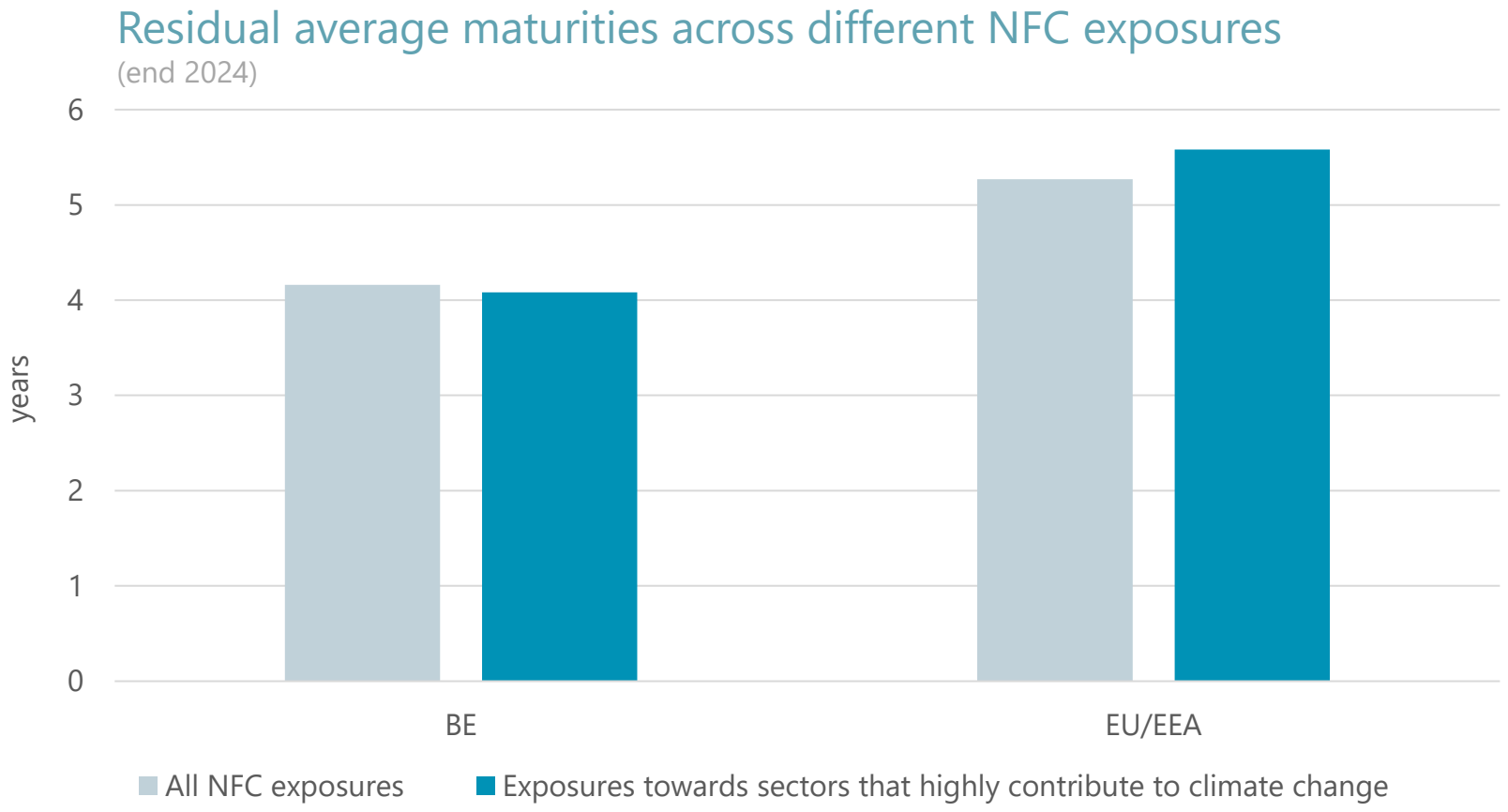
(by NACE sector, end 2024)



Sources: EBA and NBB.

Note: BE data take into account the six largest Belgian credit institutions on a sub-consolidated basis. EU/EEA data are based on ESG Pilar 3 disclosures, with entities being considered at their highest level of consolidation. The classification according to contribution to climate change is based on NACE sectors (which is a less granular/specific approach than CPRS (cf. Slides 52-54), but allows comparison with the EU/EEA level). There are of course differences in GHG intensity and overall vulnerability to transition risks between companies within sectors, which are not considered in this analysis.

Overall, the Belgian largest banks show a slightly lower maturity for their NFC exposure than European banks, including for exposures towards sectors highly contributing to climate change

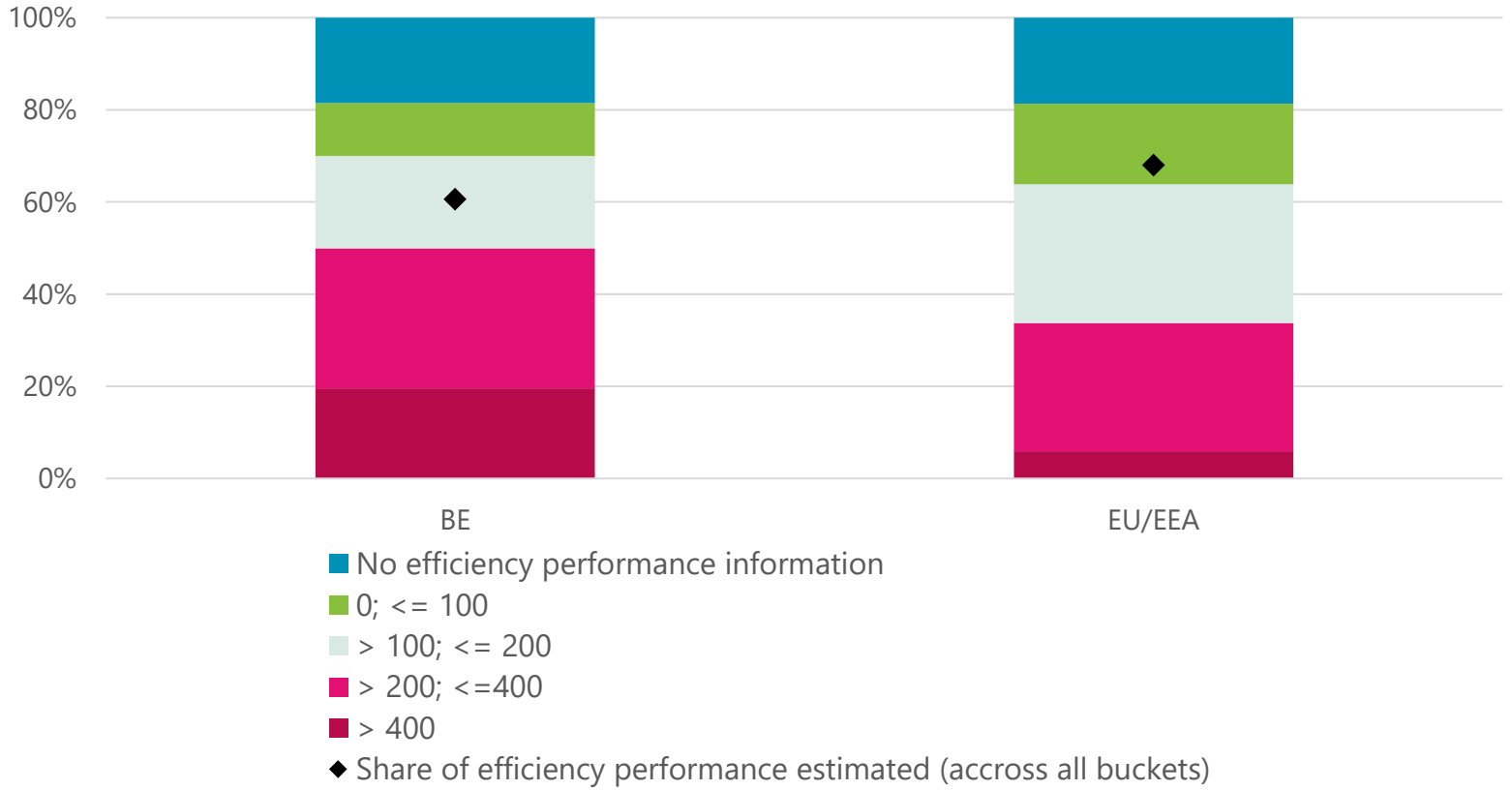


Sources: EBA and NBB.

Note: BE data take into account the six largest Belgian credit institutions on a sub-consolidated basis. EU/EEA data are based on ESG Pilar 3 disclosures, with entities being considered at their highest level of consolidation. The classification according to contribution to climate change is based on NACE sectors (which is a less granular/specific approach than CPRS, but allows comparison with the EU/EEA level).

The mortgage exposures of the largest Belgian banks are less energy-efficient than the mortgage exposures of European banks on average

Share of mortgage exposures to different energy efficiency buckets
(by kWh/m2/year)

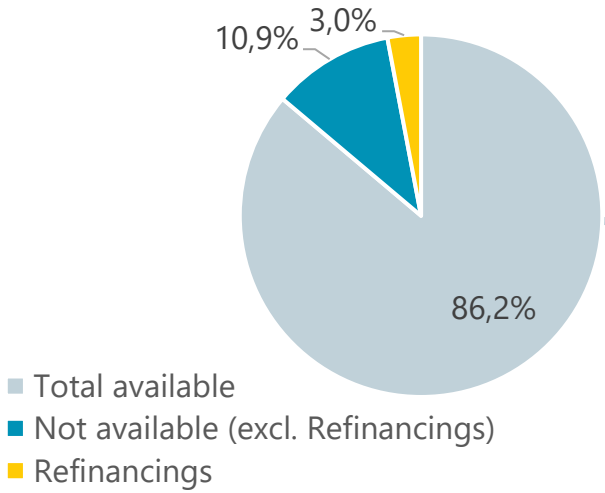


Sources: EBA and NBB.
Note: BE data take into account the six largest Belgian credit institutions on a sub-consolidated basis. EU/EEA data are based on ESG Pilar 3 disclosures, with entities being considered at their highest level of consolidation. The energy efficiency is depicted for the entire portfolio of loans collateralised by commercial and residential immovable properties and collateral obtained by taking possession.

Banks' availability of data on EPC-labels of new residential mortgage loans is stable at 86% (of which 17% is estimated)

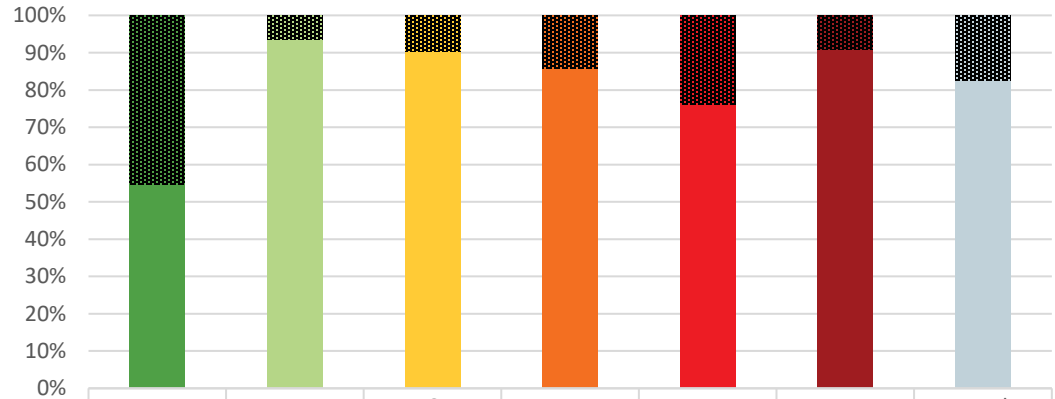
Availability of EPC-label for new loans, 2024

(in % of total vintage)



EPC label estimated vs EPC label known, 2024

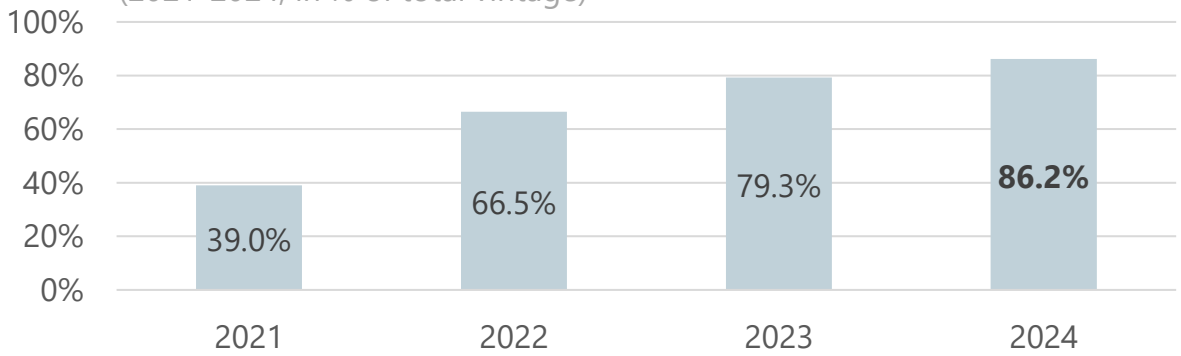
(in % of loans per EPC bucket)



	A	B	C	D	E	F	Total
EPC Label estimated	45,4%	6,5%	9,7%	14,4%	23,9%	9,1%	17,4%
EPC Label known	54,6%	93,5%	90,3%	85,6%	76,1%	90,9%	82,6%

Evolution in availability of EPC-label for new loans

(2021-2024, in % of total vintage)



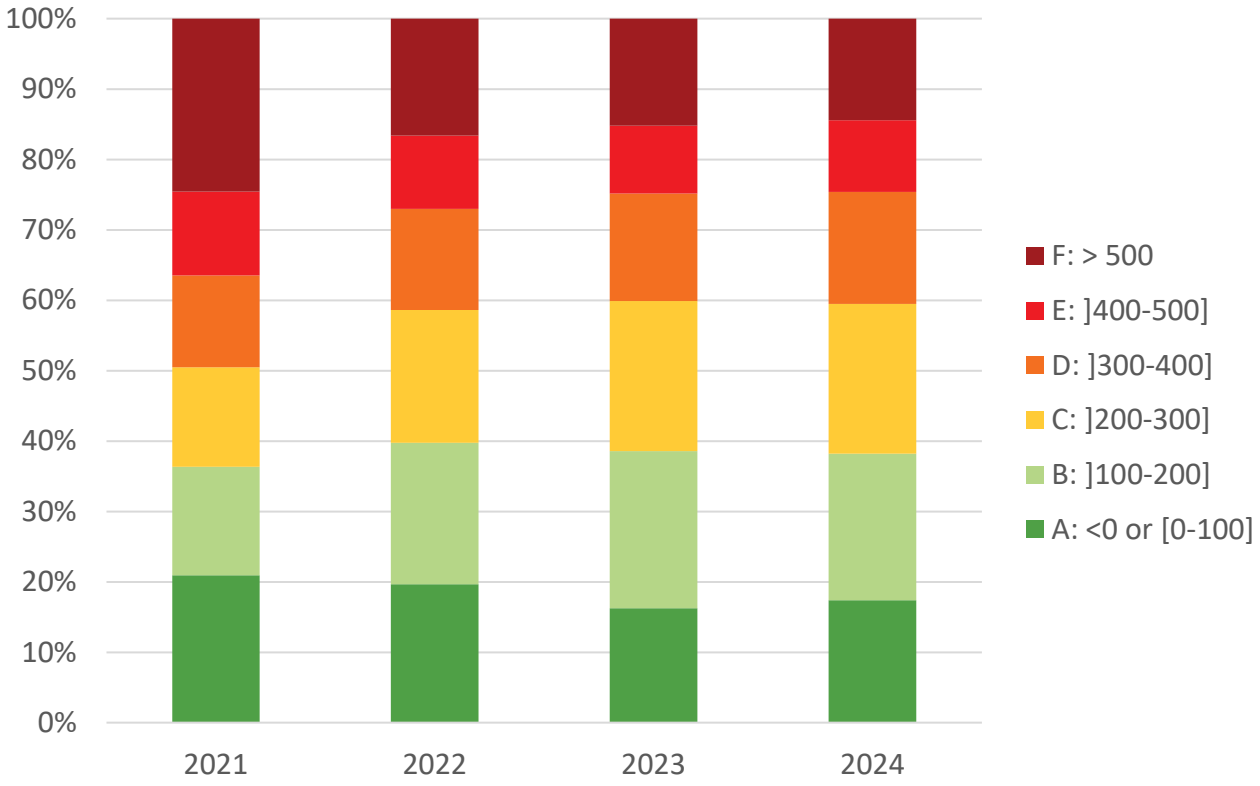
Source: NBB

NB: Banks did not need to report EPC labels for refinancings (not real new loans). Banks are allowed to use estimates based on construction year or based on reliable information about (future) energy efficiency. Classification according to Flanders label.

The distribution of banks' new residential mortgage loans by EPC label is more or less stable at country level compared to last year. Differences between regions remain

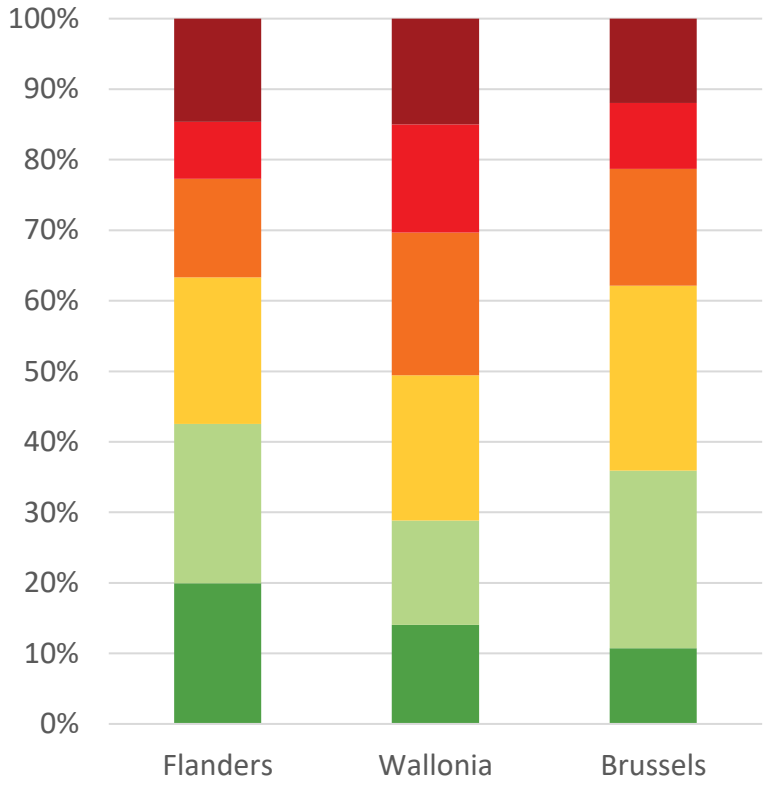
Distribution of new loans by EPC-label

(in % of total vintage for banking sector)



Distribution of new loans by EPC-label by region

(2024, in % of total vintage for banking sector)

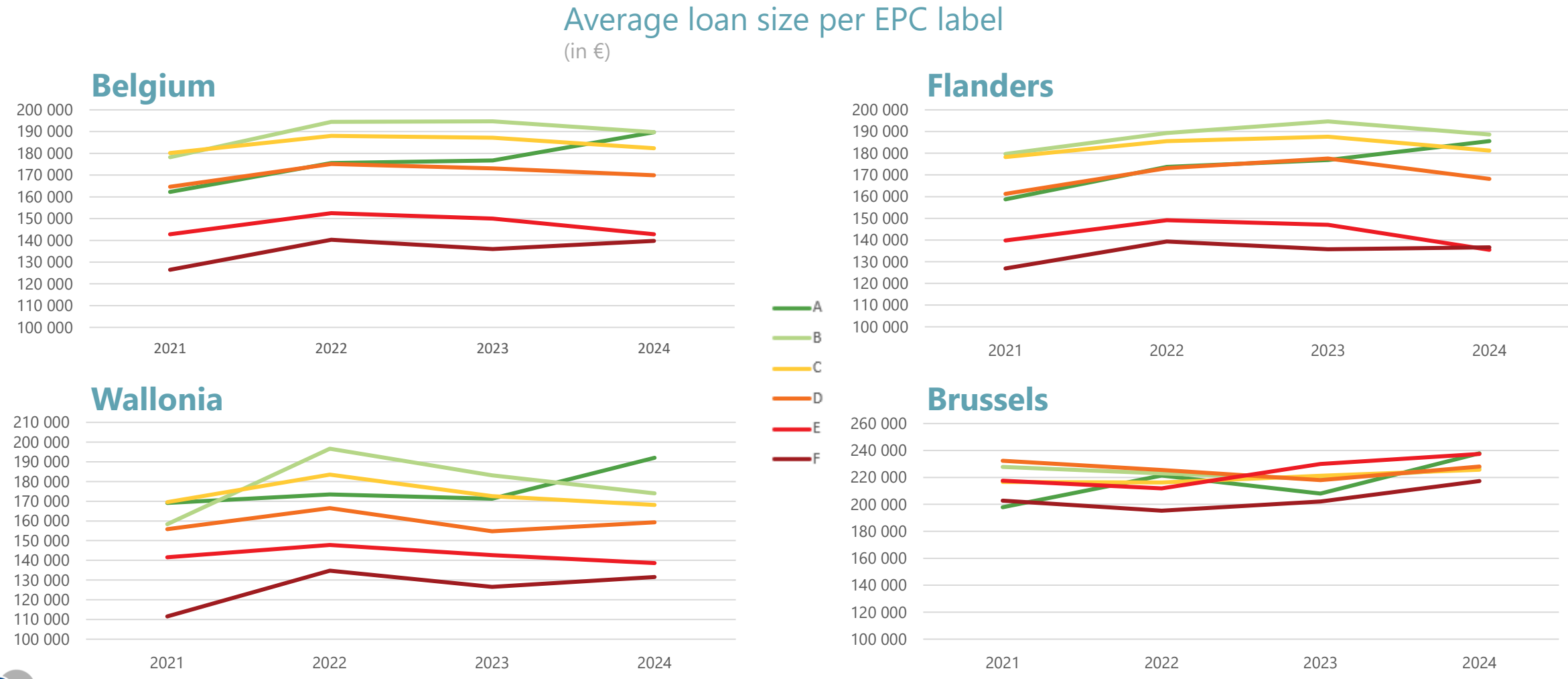


Source: NBB.

NB: Banks did not need to report EPC labels for refinancings (not real new loans). Banks are allowed to use estimates for new buildings (A) or based on reliable information about future energy efficiency. Classification according to Flanders label.

The average loan size for banks' new residential mortgage loans is lower for energy inefficient dwellings (except Brussels)

Reflects the price differences of energy efficient and inefficient houses, but could reflect the credit policy of banks



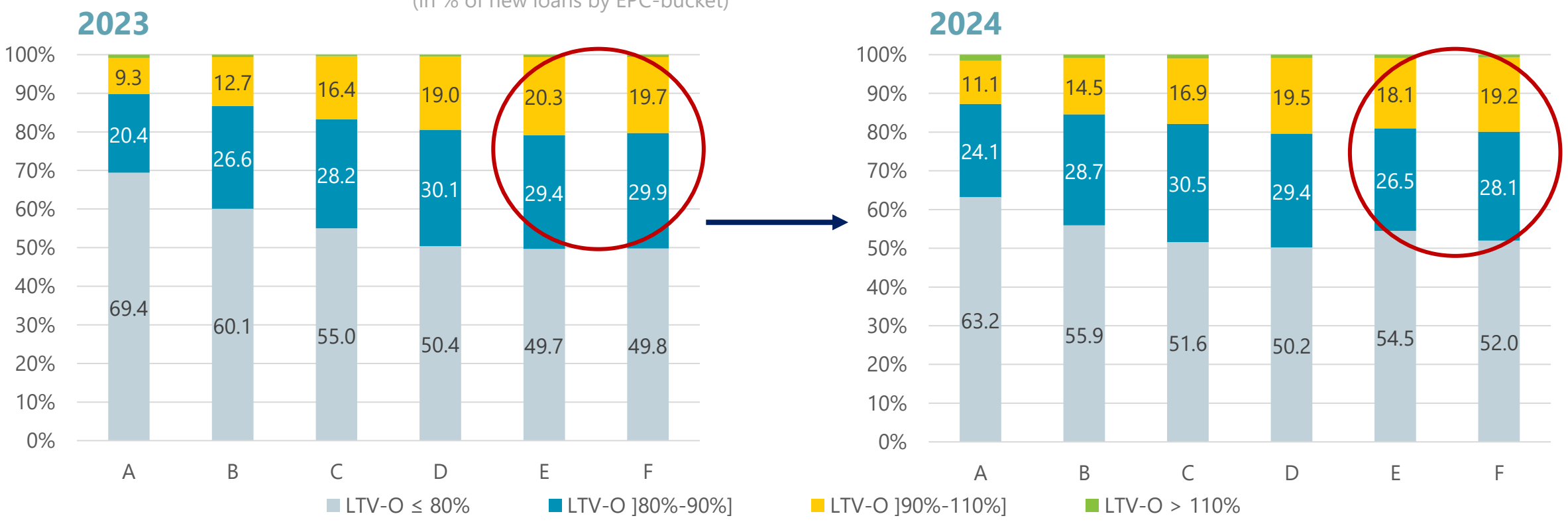
Source: NBB.
Note: Classification according to Flanders label.

The double vulnerability resulting from a high loan to value combined with lower energy efficiency has become slightly weaker

The share of residential mortgage loans with LTV > 80% is becoming smaller for labels E and F

Breakdown LTV by EPC-label, sector, 2023 vs 2024

(in % of new loans by EPC-bucket)

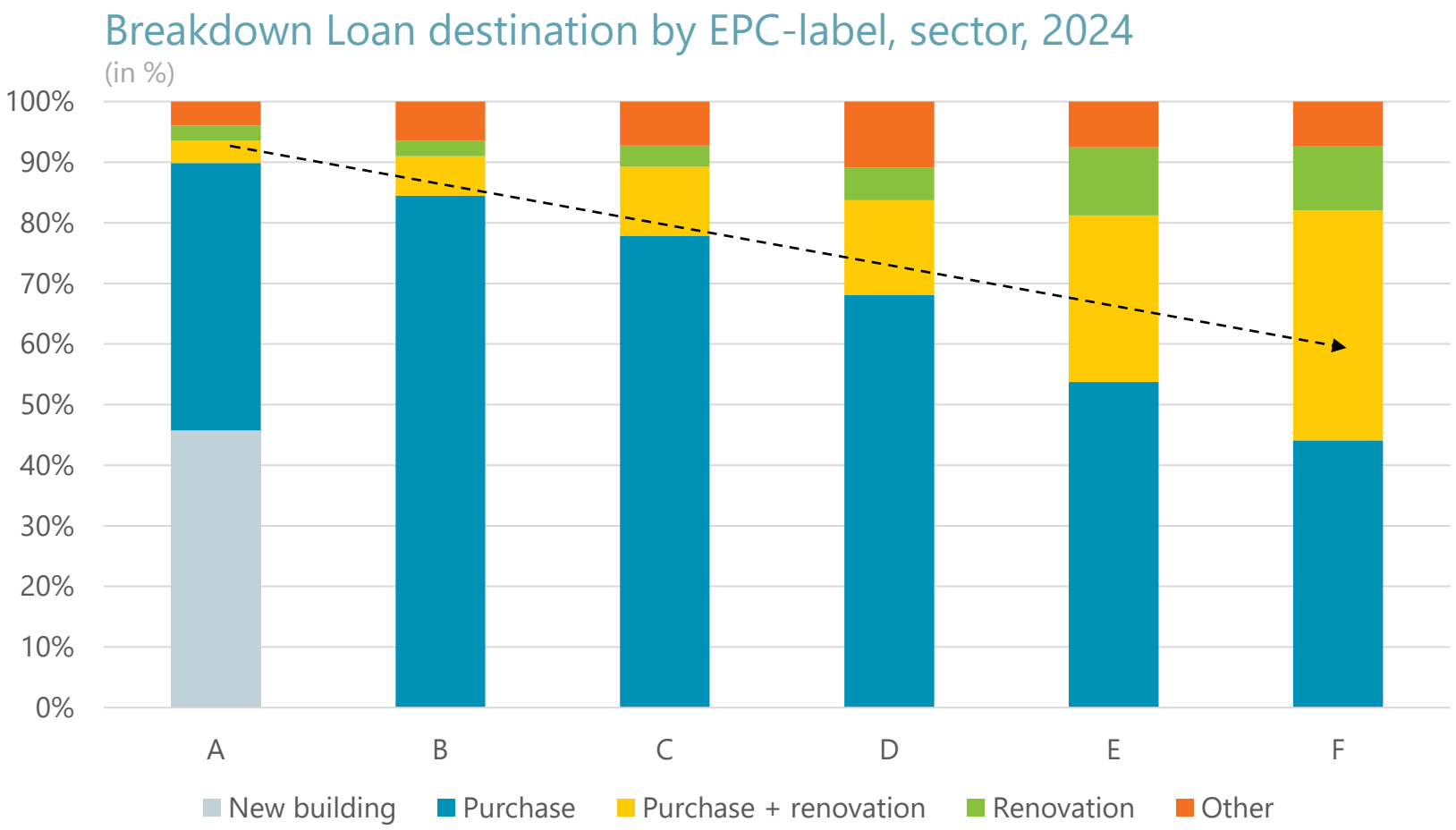


A significant proportion of households with a **higher** loan compared to the value of the dwelling (Loan to value-**LTV**) tend to purchase houses with **lower energy efficiency scores**. This constitutes a double vulnerability, which is becoming smaller in 2024.

National Bank OF BELGIUM Eurosystem

Source: NBB

Residential mortgage loans with poor energy quality collateral are much more likely to have renovation as purpose of the loan

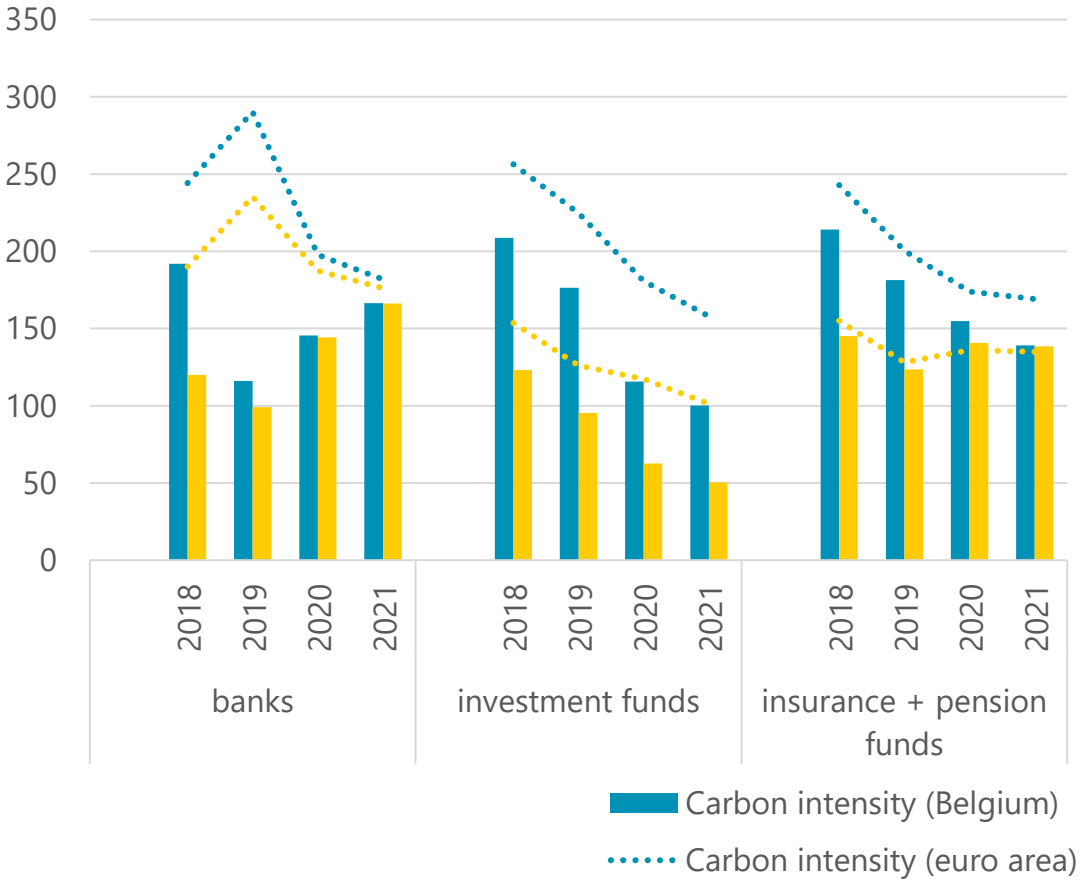


Source: NBB

Carbon indicators for securities holdings of the Belgian financial sector

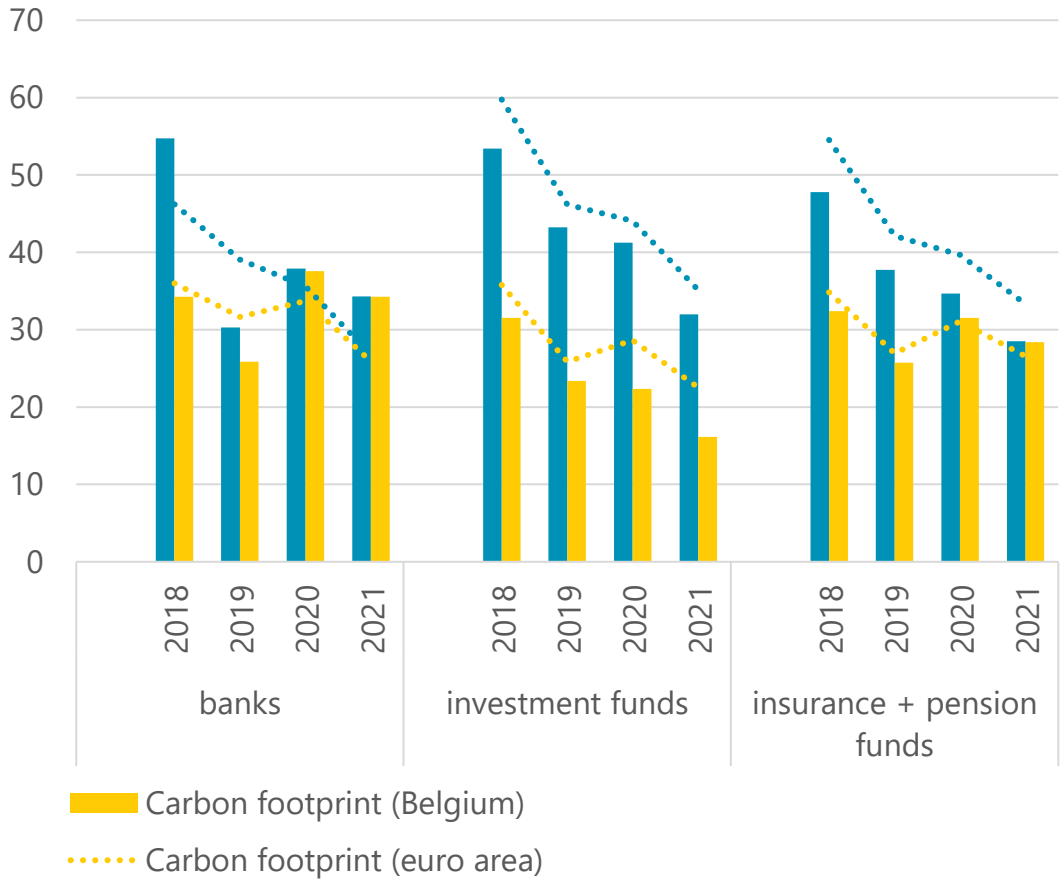
Scope 1 carbon intensity and footprint of Belgian vs euro area financial sector

(in tons of CO_2 per EUR mio)



Scope 2 carbon intensity and footprint of Belgian vs euro area financial sector

(in tons of CO_2 per EUR mio)



Source: ECB.

Notes: Carbon intensity equals firms' emissions financed by the financial sector over firms' revenues financed by the financial sector; carbon footprint equals financed emissions over portfolio size. Securities holdings include listed shares and debt securities issued by non-financial corporations. Indicators are analytical and should be used with caution.