



PRESS RELEASE
HALF-YEARLY RESULTS 2023
Brussels, 1 September 2023

Solid half-year results allow Belfius to further strengthen its role as a mainstay of the Belgian economy for the well-being of all Belgians

Belfius is more committed than ever to supporting Belgian society *as a whole*. In a macroeconomic context which is gradually returning to normal, Belfius closed the first six months of 2023 with an excellent net result of EUR 479 million. With EUR 11 billion in total shareholders' equity and a CET1 ratio of 16.5%, Belfius also remains one of the strongest bank-insurers in Europe - as confirmed by the recent ECB stress test.

Against an extremely turbulent macroeconomic and geopolitical background, these results show that Belfius has been able to anticipate - at the right time, and in the right way. It is thus in a position to keep its promise: to be the preferred partner of the Belgian economy and of all segments of Belgian society, from the most vulnerable to the most affluent.

The origin of this success? The very clear long-term strategy which Belfius has been pursuing for more than ten years now, based on its three fundamental pillars. Firstly, the customer is at the heart of every decision - with a satisfaction rate which never falters. Secondly, diversification, with a business model which addresses the whole of the Belgian economy and society, anticipates the many macroeconomic changes and meets customers' new expectations. Thirdly, strict financial and risk management, which guarantees Belfius a solid basis for meeting its commitments to customers, staff members and society as a whole.

€ 11.8 BILLION

IN NEW LONG-TERM FINANCING
with strong growth (+14.5%) in the
entrepreneurs and enterprises segment

OUTSTANDING SAVINGS AND
INVESTMENTS REACHING

€ 182,2 BILLION

with substantial growth in
Private & Wealth

NON-LIFE P&C PREMIUM OF

€ 426 MILLION

1,93 MILLION ACTIVE
USERS OF THE BELFIUS APPS

167.499 SOCIAL ACCOUNTS
for people who are disadvantaged or in
a difficult situation

NET RESULT OF

€ 479 MILLION

OWN FUNDS AMOUNT TO

€ 11 BILLION

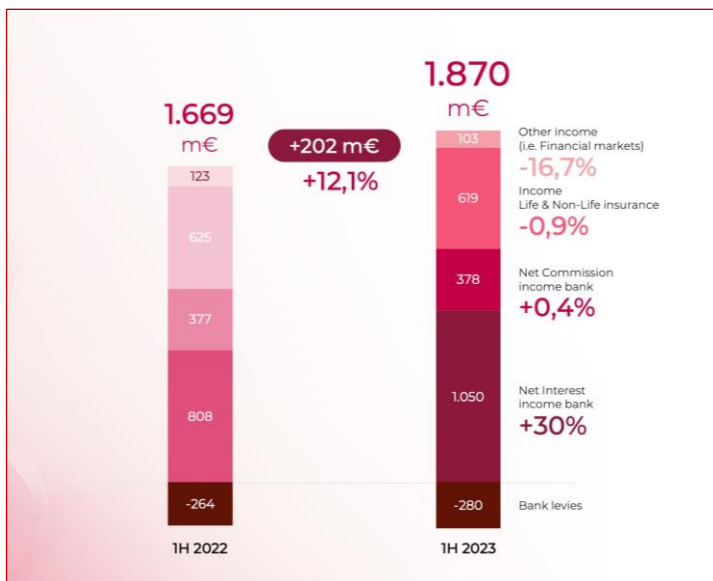
Belfius

Conclusion: in 2023, Belfius confirms its position as a pillar of the Belgian economy and society. More than ever, this position will enable the bank-insurer to fulfil its social role and its raison d'être: Meaningful & Inspiring for Belgian Society. Together.

Diversification of commercial activities and strict risk management resulting in strong net result¹

Belfius closed the first half of 2023 with a historically high **consolidated net result: EUR 676 million before tax, and EUR 479 million after tax**. Belfius Bank's contribution to consolidated net result rose for the third year running to EUR 364 million, while that of **Belfius Insurance** also increased to EUR 115 million. With an increase of 22%, half-year net profit has never been so high. This result is due to the continued good diversification of commercial activities and strict financial and risk management within a context of normalising interest rates.

Income up sharply thanks to diversification, commercial dynamics and rising interest rates



Belfius' total income² amounted to EUR 1,870 million: a considerable increase of 12.1% compared with the first half of 2022. **The bank's net interest income** continued to rise (+30%), reaching EUR 1,050 million, thanks in part to the strict management of liquidity reserves and higher interest rates, but also to a strong diversification of commercial activity. Belfius' success with investors, combined with a strong diversification strategy, kept **the bank's net commission income** virtually stable at EUR 378 million despite a volatile stock market climate. **Non-Life insurance income** rose by 4.5% to EUR 409 million, mainly thanks to excellent commercial performance, which led to continued growth in premium income. Against a backdrop of higher interest rates, with investment

insurance facing increased competition from other term investments, Life income fell by 9.9% in the first half to EUR 211 million. Other income amounted to - EUR 177 million, down on the first half of 2022, mainly due to higher bank levies, which are accounted for in the first semester, and the absence of a one-off favourable factor in the

¹ In accordance with the application of the new IFRS17 accounting standards relating to insurance activities, in force since 1 January 2023, Belfius as an integrated bank-insurer has adapted its results for the first half of 2023. As a result, the income statement, balance sheet and certain ratios have been modified or redefined. All these adjustments have also been applied retroactively to the results for the 2022 financial year.

² Excluding insurance service expenses, which IFRS17 accounts for as negative income.

first semester of 2022, linked to the rapid and substantial rise in interest rates.

Insurance Service Expenses adjusted³ amounted to EUR 334 million, compared with EUR 406 million in the first half of 2022. This EUR 72 million improvement is mainly due to a lower claims charge in Non-Life.

Belfius sees its costs⁴ rise by 8.5% in the first half of 2023, to EUR 843 million. This is a logical consequence of inflation and continued investment in human capital and technological innovation. However, the higher costs have been offset by stronger income growth. As a result, the **Cost-Income ratio** continues to fall, to 45%, or even 42% if banking taxes are spread linearly over the year.

Prudent risk management against an uncertain macroeconomic background

Although the macroeconomic outlook is improving compared with 2022, the first half of 2023 was still being influenced by ongoing geopolitical conflicts, inflation which is falling but remains structurally too high, rising interest rates and a slowdown in residential property activity - to name but a few of the current macroeconomic challenges. Against this background, Belfius remains faithful to its prudent management of credit provisions.

In the first six months of 2023, Belfius increased its reserves for credit risks with additional net provisions of EUR 17 million - in contrast to the net write-back of EUR 13 million in the first half of last year. Partial reversals of provisions for macroeconomic and sector risks made in the past, thanks to better-than-expected performance in sectors classified as vulnerable and a better-than-expected macroeconomic outlook, are fully offset by the additional credit provisions which Belfius is making to deal with the increase in defaulted loans in the first half of the year.

An excellent level of liquidity and solvency, confirmed by the European stress test

In terms of solvency, Belfius remains at a robust level with a CET 1 ratio of 16.5%. This is slightly higher than at the end of 2022, thanks to a slight increase in CET 1 capital, partly offset by a small increase in **risk weighted assets**. Risk weighted assets reached EUR 64.9 billion, thanks in particular to strong commercial growth in lending to the Corporate segment. This excellent solvency is also reflected in the results of the recent stress test of European banks: Belfius remains firmly among the best capitalised bank-insurers in Europe.

Belfius Insurance's **Solvency II ratio** has also improved compared with the end of 2022: it is up 2% to 195%.

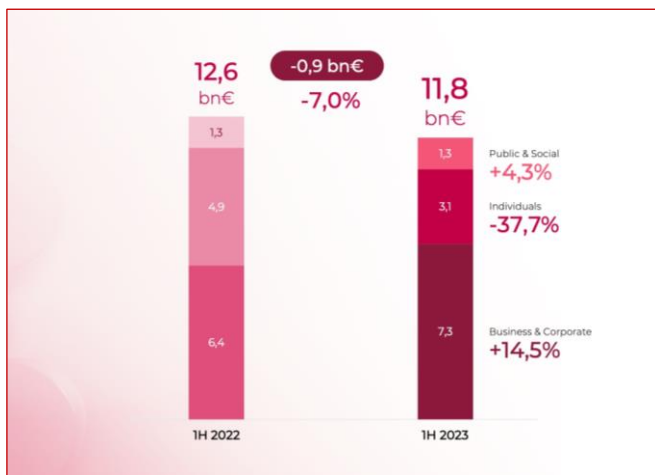
Belfius' liquidity position also remained robust in the first half of 2023, with an **LCR ratio** of 156%, an **NSFR ratio** of 133% and liquidity reserves of EUR 45 billion.

The Belfius Group's equity stood at EUR 11 billion.

³ Insurance Service Expenses adjusted is equivalent to Insurance Service Expenses plus Net Reinsurance Result less costs directly attributable to insurance contracts.

⁴ Including costs directly attributable to insurance contracts, which IFRS17 accounts for as (negative) income.

Long-term financing: Belfius, the driving force behind all segments of the Belgian economy and society



During the first six months of 2023, Belfius once again lived up to its reputation as a key driver of the Belgian economy and society. The first half of the year closed with **new long-term financing** of EUR 11.8 billion, across all segments. The entrepreneurs and enterprises segment recorded impressive growth: EUR 0.9 billion more than in the first half of 2022. Overall, however, there was a decline of 7%, mainly due to the fall in demand for mortgages from individuals across the entire Belgian market. **Outstanding loans in all segments** continued to **grow** (+2%), reaching EUR 112 billion at the end of June 2023.

Individuals: stable market share despite the contraction in the mortgage market

In a mortgage market severely hampered by rising interest rates, Belfius continues to help its customers realise their housing dreams. In the first half of 2023, **total new long-term loans to individuals** amounted to EUR 3.1 billion, down 38% on the same period last year. **Mortgage lending** totalled EUR 2.7 billion, down 41% as a result of the general fall in loan applications on the Belgian market. In this sluggish housing market and despite fierce competition, Belfius maintained its 18% **market share of new mortgage loans**. **Consumer credit production** rose by 3.5% in the first half of 2023, to EUR 405 million, in line with market evolution.

Belfius inspires and supports more and more entrepreneurs and enterprises in their growth

The macroeconomic context seems to have somewhat dampened the investment appetite of the Belgian entrepreneurial world in the first half of the year. Nevertheless, as the Lead & Loved Bank for this segment, Belfius continues to support Belgian entrepreneurs financially and to inspire them in the development of their businesses. This is demonstrated by the significant increase in **production figures for new long-term financing** in the **Business and Corporate** segment. For the first six months of the year, they reached EUR 7.3 billion (+14.5%).

Belfius intends to continue to support Belgian entrepreneurs in their growth and job creation, even in more turbulent times. And this is reflected in the **production of new long-term financing for Corporate customers**: it reached EUR 5 billion in the first half of the year, an impressive increase of 29%. **Outstanding short and long-term financing** in this segment continues to grow, reaching EUR 23.4 billion, 4.6% more than at the end of 2022. At the same time, **market share** based on outstanding loans in this segment remains at a healthy 19%.

SMEs, the self-employed and the liberal professions who are looking for a solid partner to continue to develop their business are also turning to Belfius in large numbers. In the first six months of the year, Belfius granted a total of EUR 2.3 billion in **new long-term financing to the Business segment**. **Outstanding short and long-term financing in the Business segment** continues to rise, reaching EUR 17.6 billion - an increase of 2.5%.

To encourage entrepreneurs to realise their ESG ambitions and make their contribution to a sustainable Belgium, Belfius has been offering them the **CO2rporate ESG Ambition** since the beginning of 2023. This is an original approach to inspire and support businesses in executing their sustainability strategy, coupled with tailored financing solutions to support their investments. Since the launch, more than 446 companies have already initiated an ESG discussion with their banker.

Public and social sector: Belfius confirms its leading position with strong growth

In a world which is not spared from macroeconomic tensions, the **public and social sector** remains one of the cornerstones of society. And in the first half of 2023, Belfius remains the reference partner for this sector, with targeted and innovative financing solutions. In the first six months of 2023, Belfius granted some EUR 1.35 billion in **new long-term financing**, 4.3% more than in the same period last year. For the public and social sector as a whole, Belfius accounted for more than half (58%) of new long-term financing. With total **outstanding** loans of EUR 23.8 billion for the public and social sector, Belfius is a major player in the financing of our society.

The all-in **Smart Building & Renovation Solutions** formula also continues to encourage Belfius customers in the public and social sector to build and renovate sustainably. The result: 20 projects supported and financed in the first half of 2023, for a total amount of EUR 141 million.

More and more **schools** are also relying on the financial expertise of Belfius for their energy transition. Since spring 2023, Belfius and the **SeGEC** (Secrétariat général de l'enseignement catholique) have been working together on a vast EUR 23 million investment programme. The aim is to equip a thousand schools in the Walloon and Brussels Catholic free education network with solar panels over four years. The result will be more sustainable energy and lower bills.

Thanks to a wide range of social products, Belfius is also committed to the most vulnerable groups in society, in particular via 167,499 **social accounts** and 39,013 **accounts as part of the basic banking service** for the most disadvantaged and customers holding temporary identity documents, such as refugees.

Belfius remains the leader in alternative financing solutions

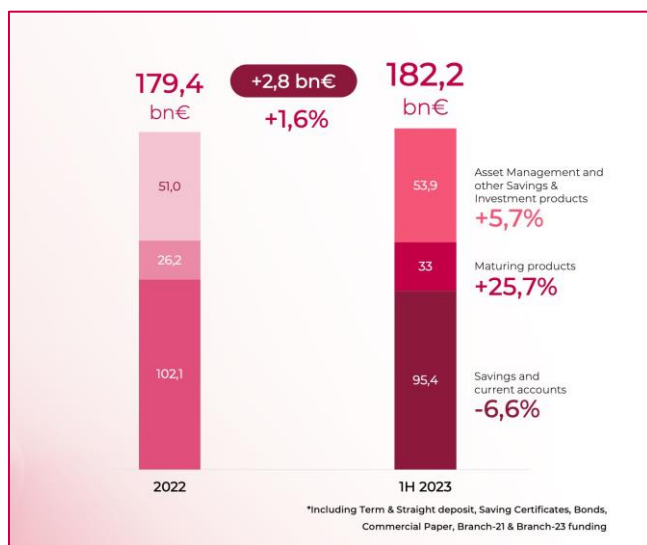
In the very active corporate bond market, Belfius concluded 18 transactions in six months. It has thus confirmed its number 1 position in **Debt Capital Markets** transactions for Belgian issuers wishing to finance their activities using alternative financing solutions. In the first six months of 2023, the bank assisted its (semi-)public and corporate customers in placing EUR 5.7 billion of short-term issues (average Commercial Paper outstanding) and long-term issues (Medium Term Notes and bonds). Of particular note were the transactions for Fluvius and the Fédération Wallonie-Bruxelles, each for EUR 700 million, and for the Groupe Bruxelles Lambert for EUR 500 million, in which Belfius acted as joint bookrunner.

The issue of the second **Belfius Green Bond** in June 2023 illustrates once again how much Belfius intends to

contribute to a green and fair society by devising sustainable financing solutions. And investors are appreciative: their demand for this issue was twice the target amount of EUR 750 million.

Savings and investments: Belfius successfully responds to changing customer behaviour

Belfius anticipates rate rises



Total savings and investments in all segments combined amounted to EUR 182.2 billion at the end of June 2023. The slight increase of 1.6% since the end of 2022 is based on a positive **market effect** of EUR 2 billion, combined with relatively limited **organic growth** of EUR 0.8 billion - the pressure of inflation on the savings capacity of the average Belgian is clearly perceptible. Belgian savers and investors are showing a growing interest in fixed-rate products, and new subscriptions are multiplying, totalling EUR 6.7 billion in the first half of the year, all segments combined.

Total retail savings and investments for Individuals gradually increased to EUR 120.6 billion at the end of June 2023, compared with EUR 116.4 billion at the end of 2022.

The downward trend in savings is general in the Belgian market. At Belfius, the **total outstanding of savings and payment accounts** fell slightly (-1.6%), from EUR 62.5 billion at the end of 2022 to EUR 61.5 billion at the end of June 2023. This relatively limited fall is proof that traditional savers have welcomed Belfius' initiative to raise the interest rate on savings accounts in the spring of 2023.

Meaningful investing: Belfius is increasingly profiling itself as a bank for investors

Against a background of volatility and uncertainty, but also a rebound in the stock markets, Belfius continues to set the tone for customers to invest in a resolutely different and committed way. The success of **Funds of the future** was confirmed in the first half of the year, with EUR 175 million in new subscriptions. This brings the total amount of assets under management in these funds to EUR 2.4 billion.

Re=Bel, Belfius' online investment platform, is also continuing to impress, and now has almost 82,000 customers. They are particularly keen to invest in societal themes which are important to them: out of a total of EUR 1.968 billion of invested capital, 77.5% of investments are aligned with Belfius' vision of environmental, social and good governance (ESG) ⁵ priorities. Re=Bel totalled 184,000 purchase and sale transactions over the first six months of

⁵ For more info on Belfius' ESG approach, see Belfius' [Transaction Acceleration Policy \(TAP\)](#).

2023, for a total amount of EUR 590 million. This places Belfius among the leaders in digital leadership - a position confirmed by the recent SIA Partners study, which each year examines the main stock market platforms and awarded Re=Bel the best usability score of all Belgian investment apps.

Private & Wealth: growth continues

With a market share growing year on year and a remarkable satisfaction score of 94%, Belfius can now pride itself on being the benchmark bank for Private & Wealth Management in Belgium. The figures speak for themselves: the **total savings and investments of Private and Wealth customers** (which also includes the assets of SMEs, the self-employed and the liberal professions) also continued to grow in the first half of 2023. They rose by 5% to EUR 53.2 billion. **Wealth customers** accounted for EUR 10.3 billion, an increase of 13%. **Outstanding mandates and service contracts in the Private & Wealth segments** also grew, to EUR 14.7 billion. Belfius opened three new **Private & Wealth Houses** in 2023, bringing the total to 24, so that Private & Wealth customers can be personally looked after and offered exclusive expertise and service close to home.

Digital innovation: Belfius continues to set the pace

In 2023 too, Belfius is continuing to innovate digitally, with relevant new features which meet customer needs. **Belfius apps** now have 1.93 million active users (2.8% more than in 2022): this is enough to inspire Belfius teams to raise the bar ever higher when it comes to user experience and advanced new features.

Customers are also using Belfius apps more and more frequently: an average of 36.6 times a month. This is not only to consult their accounts, but also to subscribe digitally to a product, or to ask a question to the increasingly efficient chatbot. Ongoing investment in chatbots is bearing fruit, as demonstrated by the explosion in the number of conversations (up 73%, or 278,426 exchanges between 1 January and 30 June 2023) and their success rate: the chatbot provides an immediate response in over 65% of cases, 20% more than in 2022. Finally, digital acceleration is also reflected in the growing proportion of **products sold through digital channels**, such as pension savings accounts (72.7%), savings accounts (42.1%), credit cards (42.8%) and investment plans (42.1%).

Insurance: growth across the board

After two turbulent years, in which the Non-Life business had to cope with the sometimes disastrous effects of natural disasters in Belgium, 2023 has begun under calmer skies. The **Net Combined Ratio (NCR) Property & Casualty** is now a remarkable 82%. In 2022, the NCR was heavily impacted by high inflation and violent storms in particular, and stood at 102%.

Strong growth in Non-Life Property & Casualty

With **premium income** of EUR 426 million in **Non-Life P&C**, the insurance business posted a very healthy 7% increase in the first half of 2023. This is largely the result of significant growth in the bank-insurance channel

(+9%) and DVV (+8%), following excellent commercial performances. Of particular note was the surge in premiums for Business segment motor policies in both channels (+13%). This jump is linked to the current trend towards converting company fleets to new electric vehicles. With the integration into Belfius Insurance of the entire portfolio of direct insurer Corona Direct, now renamed Belfius Direct Insurance, Belfius has taken an important step in its growth ambitions, which should further strengthen its position on the Belgian insurance market in the coming years.

Life: Branch 21 ensures growth

Life premiums collected amounted to EUR 544 million: an increase of 3% compared to the first half of 2022, thanks to increased sales of insurance products with a guaranteed return. In the spring, in response to the rise in interest rates, Belfius launched Belfius Invest Capital Safe, which met with great success (EUR 134 million). This innovative Branch 21 investment insurance offers individuals a guaranteed interest rate and capital protection. **Total Life reserves** increased slightly to EUR 13.8 billion.

Marc Rasière | CEO

“Even more than these excellent results, I am proud of the pioneering role that Belfius has played for Belgian society over the past 11 years. The result is a financial security – something to which every Belgian and every Belgian entrepreneur or company is entitled. That is our core business. Because Belfius in 2023 is a bank and insurance company that supports Belgian society, where individuals and businesses can make their dreams come true and where the public and social sector can continue to provide wellbeing, both today and tomorrow. To sum up, Belfius is Meaningful & Inspiring for all segments of Belgian society. This is a role to which we will always devote ourselves totally – but one that we will play with caution if we have to. Because that is what Belgian society is also entitled to.”



Chris Sunt | Chairman of the Board of Directors

“I think it is fair to say that in recent months and years Belfius has only strengthened its role as the driver of the Belgian economy and society, even in often difficult macroeconomic circumstances. It perfectly demonstrates that Meaningful & Inspiring for Belgian Society is not just a slogan, but a real sustainable commitment which fits seamlessly into our long-term strategy. It is a commitment which we also underline by sustainably investing our profits as always in all segments of the Belgian economy and society.”



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Key figures

CONSOLIDATED STATEMENT OF INCOME <i>(in millions of EUR)</i>	1H 2022	1H 2023
INCOME	1.163	1.430
EXPENSES	-676	-736
GROSS INCOME	487	694
Impairments on financial instruments and provisions for credit commitments	13	-17
Impairments on tangible and intangible assets	0	-1
NET INCOME BEFORE TAX	500	676
Tax (expense) income	-105	-196
NET INCOME AFTER TAX	395	480
Non-controlling interests	0	1
NET INCOME GROUP SHARE	394	479
Of which Bank	321	364
Insurance ⁽¹⁾	73	115

(1) Contribution of the Belfius Insurance Group to the consolidated statement of income.

CONSOLIDATED BALANCE SHEET <i>(in millions of EUR)</i>	31.12.2022	30.06.2023
TOTAL ASSETS	179.068	178.250
Of which Cash and balances with central banks	27.295	24.431
Loans and advances due from credit institutions	4.144	4.060
Loans and advances	110.203	112.351
Debt securities & equity instruments	26.997	27.117
Derivatives	5.893	5.489
TOTAL LIABILITIES	167.158	166.688
Of which Cash and balances from central banks	5.904	2.653
Credit institutions borrowings and deposits	1.870	3.207
Borrowings and deposits	108.447	106.931
Debt securities issued and other financial liabilities	29.899	33.268
Derivatives	8.249	7.693
TOTAL SHAREHOLDERS' EQUITY	11.378	11.034
Of which Shareholders' core equity	10.776	10.873
Gains and losses not recognised in the statement of income	602	161
TOTAL EQUITY	11.910	11.563
Of which Total shareholders' equity	11.378	11.034
Additional Tier-1 instruments included in equity	497	497
Non-controlling interests	35	31

RATIOS⁽¹⁾	31.12.2022	30.06.2023
Return on equity (ROE)	8,9%	9,5%
Return on assets (ROA)	0,49%	0,57%
Cost-income ratio (C/I-ratio)	47%	45%
Asset quality ratio	1,82%	1,91%
Coverage ratio	59,6%	56,7%
Liquidity Coverage Ratio (LCR) ⁽²⁾	173%	156%
Net Stable Funding Ratio (NSFR)	135%	133%

(1) Unaudited.

(2) 12-month average.

SOLVENCY RATIOS⁽¹⁾	31.12.2022⁽³⁾	30.06.2023
CET1 capital ratio ⁽²⁾	16,4%	16,5%
Tier 1 capital ratio ⁽²⁾	17,2%	17,3%
Total capital ratio ⁽²⁾	19,8%	20,0%
Leverage ratio	6,2%	6,3%
Solvency II - ratio (before dividend)	205%	202%
Solvency II - ratio (after dividend)	193%	195%

(1) Unaudited.

(2) For the determination of the Capital ratios under Basel III, the regulatory authority asks Belfius Bank to apply a risk weighting of 370% on the capital instruments held by Belfius Bank in Belfius Insurance after deduction of goodwill. This is commonly known as "Danish compromise".

(3) Pro forma IFRS17 figures with regards to CET1 capital ratio, Tier 1 capital ratio, Total capital ratio and Leverage ratio. The pro forma takes into account the implementation of IFRS17 as well as the IFRS9 business model reassessment on 1 January 2023, where a reclassification of EUR 8.9 billion has taken place from the Belfius Insurance portfolio of loans and debt securities measured at AC to loans and debt securities measured at FVOCI.

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