



PRESS RELEASE RESULTS 2021

Brussels, 24 February 2022



EUR 935 million: Belfius achieves its best net result in ten years of existence

On the eve of its tenth anniversary, Belfius presents its best ever net result with EUR 935 million. This result has enabled Belfius to establish itself as an essential and solid partner for Belgian society and the economy.

This performance is the result of ten years of hard work, first with very strict financial and risk management, then by moving towards the bank-insurance business model. This evolution reflects the dynamism of Belfius, in its desire to represent all segments of Belgian society. The one constant throughout this decade has been to put the customer at the centre of everything.

Other key elements include a strong commercial dynamism, a constant desire to innovate, a unique corporate culture with highly committed staff members and, more than ever, a pervasive ESG focus which determines strategic decisions within the company.

The future presents a multitude of challenges. Nevertheless, these results show that Belfius has every reason to look forward to it positively. They reflect a desire to continue to be “Meaningful & Inspiring for Belgian Society. Together”.

€ 22.3 BILLION

in NEW LONG-TERM FINANCING
to support the Belgian economy

INCREASE of the Group's EQUITY to

€ 11 BILLION

GROWTH OF SAVINGS & INVESTMENTS to

€ 179.5 BILLION,

of which **€ 134.4 billion from**
RETAIL AND BUSINESS CUSTOMERS

More than 10%

of NON-LIFE PREMIUMS at Belfius Bank,
up for the 6th consecutive year

54.6%

or the best COST-INCOME RATIO
ever achieved

€ 368.5 MILLION

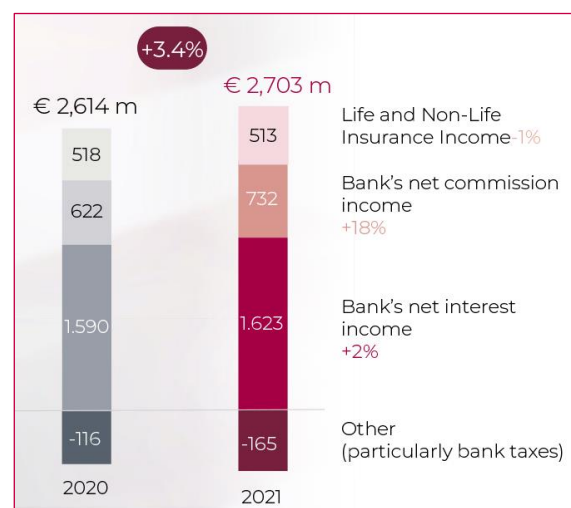
in DIVIDEND, the highest paid to date

Belfius

An excellent net result driven by a solid commercial momentum, strict cost control and a historically low cost of risk

The consolidated net result of Belfius before and after tax amounted to EUR 1,226 and EUR 935 million respectively. Belfius Bank's contribution more than doubled to EUR 716 million, while Belfius Insurance's contribution increased to EUR 219 million. The net profit, which is the highest in the 10-year history of Belfius, is once again the result of strong revenue growth, strict control of operating costs and a historically low cost of risk.

Exceptional growth of all main income components



Thanks in particular to a strong and diversified commercial dynamic and a favourable macroeconomic climate, **Belfius' total income** amounted to EUR 2,703 million, up 3.4% compared to 2020. Despite the continued low interest rates, Belfius Bank managed to increase its **net interest income** by 2% to EUR 1,623 million, in particular thanks to the strong growth in loan outstanding, rigorous pricing, and the positive impact of TLTROs. Belfius' success as a bank for investors, combined with very positive market effects in 2021, translated into a strong 18% increase in the **Bank's net commission income** to EUR 732 million. **Revenues from insurance activities** remain stable at EUR 513 million. With an increase of 11%, **revenues from life insurance activities** are particularly noteworthy. They reached EUR 302 million thanks, inter alia, to excellent investment management. **Non-Life revenues**, on the other hand, were down by 14% compared to 2020 and amounted to EUR 210 million at the end of 2021. This decrease is explained in particular by the higher number of claims in **Cars and Household** and their greater degree of severity in 2021, following the recovery of economic activity after the lockdowns of 2020 and the severe floods which hit Belgium in July 2021. Thanks to an adequate reinsurance policy, the net impact of the floods for Belfius amounts to EUR 24 million.

Other revenues amounted to EUR -165 million euros, a more negative amount than in 2020, mainly due to the effect of banking taxes which are still on the rise, in an amount of EUR 256 million (against EUR 222 million in 2020).

Belfius combines an ambitious growth strategy with strict cost control

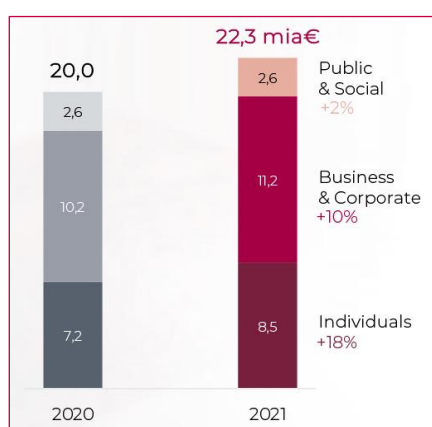
Even with an ambitious growth strategy, in 2021 Belfius again managed to keep its costs under control at EUR 1,477 million, which is a slight increase of less than 1% compared to 2020. In combination with the very good commercial performance, this results in the lowest cost-income ratio since the creation of Belfius, i.e. 54.6%, compared with 56.0% in 2020.

An historically low cost of risk thanks to favourable economic conditions and support measures

In 2021, the cost of credit risk was very positively influenced by a favourable macroeconomic recovery and the effectiveness of government measures, which allowed Belfius to reduce **the loan provisions set aside in advance due to Covid-19** in 2020 from EUR 331 million to EUR 216 million. The remaining amount of the Covid-19 provision covers the expected loss related to specific risk segments or segments still suffering from the consequences of the pandemic and the economic outlook. Boosted by the release of this part of the Covid-19 provisions, the **overall cost of credit risk** evolved from a cost of EUR -453 million in 2020 to a net reversal of EUR 1.4 million. At EUR 77 million (compared to EUR 122 million in 2020), the cost related to loans evolving in 2021 towards the status of effective payment default remained historically low, all the more so given the strong growth of the loan portfolio. Since the beginning of the pandemic, Belfius has helped a total of 34,606 customers to overcome the crisis financially. Of the customers who requested a moratorium, no fewer than 97.1% of Business and Corporate customers, 99% of retail customers and even 100% of Public and Social sector customers have since resumed repayment of their loans (for moratoriums which have not been extended).

Business and Corporate: Belfius is more than ever supporting Belgian enterprises and entrepreneurs in a sustainable manner

The majority of Belgian companies are gradually getting their heads above water, and this is reflected in the further decline in **Covid loans** and **deferred payments**, which were still available to Belfius customers in 2021. Of the 25,992 business and corporate loans which were granted deferred payment in 2020-2021, only 200 files remained open at the end of 2021. And of the 13,874 leasing contracts, only 303 files still benefit from deferred payment. Finally, 625 Covid loans to companies with a state guarantee were still open at the end of 2021, for an amount of EUR 85 million.



Moreover, in 2021 Belfius granted EUR 11.2 billion in **new long-term financing for business and corporate customers** which represents an increase of 10% compared to 2020.

In the **Corporate segment**, long-term loan production reached EUR 6.3 billion, enabling Belfius once again to confirm its ambition to become the leading bank for Belgian companies and entrepreneurs. **Outstanding short and long-term loans** rose by 8% to EUR 19 billion. For this customer segment, Belfius remains the preferred partner for those who wish to access alternative financing, in particular via the issue of **treasury certificates and bonds (Debt Capital Markets, DCM)**. In 2021, Belfius issued EUR 2.6 billion of short-term issues (average outstanding commercial paper) and new long-term issues (Medium Term Notes and bonds). This expertise has been rewarded for the sixth time since 2013 with the “**Euronext Best Bond Finance House of the Year**” award.

Information based on non-audited figures

Belfius also excels in the field of **Equity Capital Markets (ECM)**. In 2021, the Bank participated in 14 transactions with a total value of EUR 1.8 billion.

Belfius is increasingly present alongside its customers in their international activities. This is demonstrated not only by the increase in Trade Finance revenues (+32%), but also by the **partnership concluded with the German banking group Commerzbank**, which aims to strengthen the cross-border cash management and Trade Finance services offered by both banks to their professional customers, both in Belgium and in Germany. The quality of the Transaction Banking services once again won over the renowned Global Finance magazine, which awarded Belfius the titles of “**Best Trade Finance Provider**” and “**Best Treasury and Cash management Bank**” for the second consecutive year.

Driven by its ambition to help companies make the transition to a more sustainable society, Belfius is increasingly **integrating sustainability criteria into its financing solutions**. In 2021, for example, Belfius played a major role in the issue of ten sustainable, green and social bonds, and is striking a chord by successfully issuing its own “Green Senior Bond” for the first time. In the field of mobility, too, Belfius is encouraging its professional customers to take the step towards greater sustainability, as shown by the new car leasing contracts concluded in 2021 by Belfius Auto Lease, 54% of which were in relation to “green” vehicles.

In the field of loan grants, Belfius continues to work closely with local **SMEs, the self-employed and the liberal professions**. In 2021, the production of **long-term loans** for the Business segment reached EUR 4.9 billion.. **Outstanding short and long-term loans** granted to this segment rose by a further 7% to EUR 16.3 billion. Start-ups are also placing more and more trust in Belfius. In 2021, 10% more of them chose Belfius to support their development (16,716 new start-ups compared with 15,189 in 2020).

In parallel with the growth of the loan granting activity, the **market share of Belfius in terms of loan outstanding** has increased again, both for the **Business** and **Corporate** segment. It is estimated at 17.4% and 18.5% respectively.

Belfius remains the undisputed, inspiring and sustainable leader for the **Public and Social sector**

Belfius remains the undisputed partner of the Public and Social sector. In 2021, Belfius granted **new long-term loans** totalling EUR 2.6 billion. This is as much as in 2020. Belfius accounts for 59% of new long-term financing in the local authority market.

In addition to traditional financing solutions, Belfius is increasingly offering alternative financing solutions on the capital markets to customers in this sector. In this way, Belfius maintains its leading position in **Debt Capital Markets** issues and is present in 87% of the mandates executed in Belgium. In 2021, Belfius provided its (semi-)public customers with EUR 4.9 billion of alternative financing in the form of short-term issues (medium-term commercial paper) and long-term issues (medium-term notes and bonds).

In addition to issuing bonds, Belfius is increasingly helping its customers to structure sustainable and green financing frameworks. In the firm belief that the financial sector should be an important catalyst in the transition to a sustainable Belgian society, Belfius made full use of its financial capacity in 2021 to support the realisation of **sustainable infrastructure projects** totalling EUR 1.7 billion, of which Belfius is financing some EUR 300 million. In 2021, Belfius financed the construction of five new **wind farms** in Flanders with a long-term loan totalling EUR 70 million. Through the **Smart Building & Renovation Solution** product, Belfius also contributed to the realisation of 46 projects in 2021 for a total amount of EUR 286 million, of which EUR 140 million are financed by Belfius, in order to help local authorities renovate their buildings in a sustainable manner.

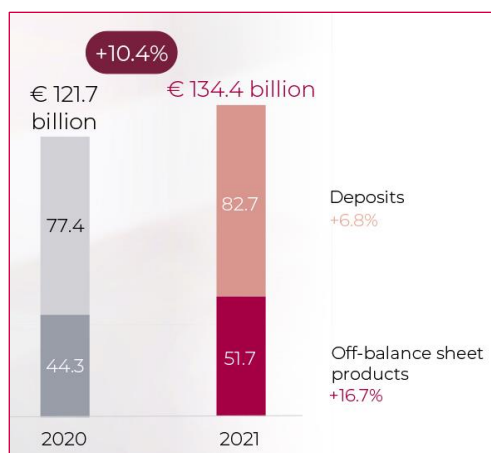
Retail customers: demand for mortgage loans reaches new heights; investments are booming; Belfius inspires with its innovative banking experience

EUR 7.8 billion of new mortgage loans against a background of continued interest in real estate

In 2021, Belfius granted EUR 8.5 billion in **new long-term financing for retail customers**, an increase of 18%. In addition to the slightly higher production of **consumer loans** (+3%) of EUR 708 million, this increase is mainly due to the high production (+20%) of EUR 7.8 billion in **mortgage loans**. Thanks to this strong and persistent commercial dynamic, Belfius' market share in the granting of new mortgage loans reached 16.5%.

In 2021, the credit worries caused by the Covid-19 crisis were practically over for retail customers: in 2021, barely 150 additional customers requested a deferment of payment for their mortgage loan. For the 2,430 new cases for which the customer was granted a contractual deferment of payment in 2021, all repayments have in the meantime resumed.

Savings and investments: Belfius confirms its transformation into a bank for investors



In 2021, the **total savings and investments of retail and business customers** grew by an unprecedented 10% to EUR 134.4 billion. This historic increase is mainly due to exceptionally strong **organic growth**. Up 7% to EUR 7.7 billion in 2021, it reached the highest level recorded in ten years. A second factor is the remarkable stock market year, which was driven by strong market effects (to the tune of EUR 5 billion). This increase illustrates the propensity of Belgians to save massively during the Covid-19 crisis, and is also the best proof of the growing confidence of customers in Belfius and its transformation into a “Loved Bank for Investors”.

In 2021, the **total volume of payment and savings accounts** increased by 9% to EUR 75.3 billion. Subscriptions to investment products rose by 11% to reach EUR 14 billion. **Outstanding in fund investments** were at EUR 35.2 billion, up by a strong 22% - with special mention for the continued success of “**Funds for the future**”. In 2021, new subscriptions to these funds increase by 28% to EUR 934 million. They now represent more than 20% of total investment fund subscriptions (and even 40% of the net growth of investment funds). Since their launch, Belfius already has seven “Funds for the Future” which are performing well and the total assets of which passed the EUR 2 billion mark (+89%) in 2021.

Belfius’ strong positioning in **socially meaningful investments** is reflected both in the success of the “Funds for the future” offering, and in the sale of Sustainable funds or funds that promote ESG, which account for more than 80% of total sales of investment funds..

Since its successful launch on 1 July 2021, the new digital stock exchange platform Re=Bel has already welcomed 40,000 customers, more than half of whom are first-time investors at Belfius. In total, just over 100,000 transactions were carried out via Re=Bel in 2021, for a total amount of EUR 348 million. The sustainable nature of the platform is very attractive: 73% of the transactions carried out in shares meet the sustainability criteria set by Belfius.

Continued strong growth in the number of Private and Wealth Management customers

In 2021, Belfius achieved growth of almost 18,000 customers in these segments. The **number of Private and Wealth customers** is 145,375, an increase of 14% compared to the end of 2020. The **outstanding on savings and investments of Private and Wealth clients** reached EUR 53.4 billion (+20%), with the Wealth segment recording a remarkable increase of 64%. **Outstanding mandates and service contracts** rose by 20% to EUR 15.6 billion. This increase shows how much these customers appreciate the conviction-based investment advice provided by the experts at Belfius and Candriam, the extended range of products offered by BlackRock and JP Morgan Asset Management, and the private equity investment solutions offered in cooperation with Planet First Partners.

Since 2021, these customer segments were also welcomed in exclusive **Private and Wealth Houses**, five of which were opened in 2021.

Belfius takes further steps towards an innovative and inspiring banking experience in daily banking

2021 was also the year in which several important steps were taken in the evolution towards an innovative and diversified approach to retail banking. In October, after a five-month test period, Belfius launched the **Beats** digital flow in the Belfius Mobile app. This launch is a further step taken by the strategic partnership between Belfius and Proximus, which also resulted in October in the launch of **Banx**, the fully digital and sustainable slow banking experience, co-developed by Belfius.

The **digital acceleration**, which began in the first year of the pandemic, continued to gain momentum in 2021. In total, 63% (+3% compared to 2020) of retail and professional customers are now digitally active, which means that they have logged on at least once in the last three months via at least one digital channel. At the end of 2021, the **Belfius Mobile app** for smartphones and tablets had just over 1.79 million **active users**, a further increase of 13% compared to the end of 2020. Each customer visits the app on average 36 times per month. The sale of products via direct channels continues to grow compared to 2020. While 67% of pension savings accounts and 25% of the new app-normal tenant insurance contracts are sold via these channels, **the sale** of funds (23%) and investment plans (29%) **via direct channels** also continues to grow.

The strength of the bank-insurance model is reflected in solid results in Life and Non-Life; Belfius supports flood victims

Closer than ever to customers after unprecedented flooding

Belfius committed many additional resources to help customers affected by the floods in July and to compensate them as quickly as possible for the losses they suffered. In total, almost 5,500 customers were affected by the flooding. In the meantime, more than 77% of them have received full compensation, and 17% have received a significant advance payment for their claim.

The **financial impact** for Belfius Insurance is considerable and amounts to EUR 181 million. However, the impact on the result remains manageable: it amounts to approximately EUR 24 million, thanks to the solid reinsurance contracts taken out by Belfius Insurance for several years as part of its forward-looking risk management. The **combined operating ratio (NCR)** for all segments of non-life insurance increased by 4% to 97%.

Strong increase in Life and Non-Life figures

Non-life premiums at Group level amounted to EUR 769 million (+4%). The increase was mainly observed at Belfius Bank (+11%), with DVV Insurance growing by 4% and Corona Direct by 2%. The **cross-selling ratios** for mortgage loans reached 129% for outstanding balance insurance and 84% for home and family insurance.

After the success of the app-normal home and family insurance in 2020, Belfius added the new **app-normal tenant insurance** to its range of non-life insurance products in the Belfius app.

Life production exceeded the EUR 2 billion mark, up a strong 12% compared to 2020. Total Life reserves, down slightly to EUR 14.4 billion, reflect the gradual strategic reduction of Branch 21 in favour of Branch 23. The decline in Branch 21 reserves is largely offset by continued strong growth in Branch 23, up 11% to reach EUR 4.2 billion.

A solid liquidity and solvency rate, a high dividend

Extremely robust liquidity and solvency reserves

In terms of **solvency**, the Belfius **CET 1 ratio** of 16.4% remains robustly at an extremely high level, which makes Belfius one of the best capitalised bank-insurers in Europe.

The **Solvency II ratio** of Belfius Insurance amounts to 190%. With an LCR ratio of 195% and an NSFR ratio of 136%, both well up, Belfius continues broadly to meet the requirements regarding liquidities, and had a liquidity reserve of EUR 42 billion at the end of 2021.

Belfius Group **equity** continued to grow, to EUR 11 billion.

Dividend

In view of these solid results, Belfius intends to pass a **dividend pay-out ratio** of 40% for the entire financial year 2021 and, subject to the approval of the next Shareholders' Meeting, to pay a total dividend of EUR 368.5 million to its shareholder. This means that, since 2012, Belfius has distributed in total close to **EUR 1.7 billion in accumulated dividends** to Belgian society.

Marc Raisière – CEO

“Being the most ‘Meaningful’ and ‘Inspiring’ bank-insurer for our customers and Belgian society, that is our purpose. And today, ten years after its creation, this ambition enabled Belfius to achieve the best results in its history. These figures are not the result of chance: they are the result of a successful long-term strategy, combined with rigorous balance sheet management, excellent commercial dynamics and a constant obsession with customer satisfaction. This strategy is supported by a strong brand and our 10,000 talents who, within a unique corporate culture, transform their passion for the customer into innovative ideas. They really make the difference! That is why I am extremely grateful to all our staff members and agents. And I would also like to thank our customers for their confidence over many years. Finally, I would also like to thank the members of the Board of Directors for their trust and constructive support in the development of our ambitious strategy.”



Chris Sunt – Chairman of the Board of Directors

“Strengthening Belgian society economically and contributing to making it more sustainable: this is the societal role to which Belfius has been 100% committed for the past ten years. We continue to fulfil this commitment year after year thanks to strong profitability (EUR 935 million in 2021), a prudent risk policy and the equity cushions which we have meticulously built up. This capital now amounts to EUR 11 billion. It allows Belfius, subject to approval of the competent authorities, to distribute a dividend of EUR 368.5 million to its shareholder in 2022. As for the rest of the profit, as in previous years, we will reinvest it in a sustainable way in the Belgian economy and society.”



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Key figures

- Belfius closed 2021 with an unprecedented **consolidated result before and after taxes** of EUR 1,226 million and EUR 935 million respectively, with a historic 76% increase in net result. Belfius Bank contributed EUR 716 million to the latter, while Belfius Insurance saw its contribution increase slightly to EUR 219 million euro.
- **Costs**, at EUR 1,477 million, remained stable compared to 2020, despite the accelerated implementation of Belfius' strategic plans for 2025. The **cost-income ratio** continued to improve and stands at 54.6%, a historically low level.
- For the third consecutive year, Belfius passed the EUR 20 billion mark in **new long-term financing** granted to the Belgian economy. With an increase of 12% to EUR 22.3 billion, Belfius is supporting all segments of Belgian society more than ever before. **Business and corporate customers** were granted EUR 11.2 billion in long-term loans (+10%) and the **public and social sector** EUR 2.6 billion. **Retail customers** totalled EUR 8.5 billion (+18%), of which EUR 7.8 billion in mortgage loans (+20%). **Total loan outstanding** rose by 5% to EUR 102.2 billion, exceeding the EUR 100 billion mark for the first time in Belfius' history.
- **Total savings and investments** amounted to EUR 179.5 billion, of which EUR 134.4 billion from retail and business customers. **Organic growth in savings and investments** for retail and business customers continued to rise by 7% after the exceptionally strong increase in 2020. At the end of 2021, it amounted to EUR 7.7 billion, a sign of sustained customer confidence. **Outstanding payment and savings accounts held by retail customers** (including the Business segment) grew by 9% to EUR 75.3 billion. **Outstanding in savings and investments of Private and Wealth customers** reached EUR 53.4 billion, up sharply (+20%) compared with the end of 2020. The Wealth segment even recorded a 64% increase in outstanding.
- Belfius also continued its strong growth as a bank-insurer this year. The amount of **premiums collected in Non-Life via the banking channels** rose again in double digits by 11% to EUR 296.4 million. Reserves in branch 23 rose by 11% to EUR 4.2 billion. The **combined operating ratio** for non-life insurance rose to 97%, including all distribution channels.
- Belfius attracted 227,000 **new customers** and the number of **active users of the Belfius mobile app** continues to rise, to 1.79 million (+13%).
- In terms of **solvency**, Belfius remains one of the best capitalised bank-insurers in Europe with a CET 1 ratio of 16.4%. The Belfius Group's equity continued to grow, to EUR 11 billion. Subject to approval by the next General Meeting, a total dividend of EUR 368.5 million is to be paid to the shareholder. Since 2012, Belfius has paid out a total of almost EUR 1.7 billion in accumulated dividends to Belgian society.

Key figures

CONSOLIDATED STATEMENT OF INCOME

(in millions of EUR)

	31/12/20	31/12/21
INCOME	2,614	2,703
EXPENSES	(1,465)	(1,477)
GROSS INCOME	1,149	1,226
Impairments on financial instruments and provisions for credit commitments	(453)	1
Impairments on tangible and intangible assets	(17)	(2)
NET INCOME BEFORE TAX	679	1,226
Tax (expense) income	(147)	(290)
NET INCOME AFTER TAX	532	936
Non-controlling interests	0	1
NET INCOME GROUP SHARE	532	935
of which Bank	319	716
Insurance ⁽¹⁾	212	219

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

CONSOLIDATED BALANCE SHEET

(in millions of EUR)

	31/12/20	31/12/21
TOTAL ASSETS	187,991	192,151
of which Cash and balances with central banks	25,434	31,640
Loans and advances due from credit institutions	11,912	10,411
Loans and advances	98,108	102,679
Debt securities & equity instruments	28,849	27,195
Unit linked products insurance activities	3,813	4,246
Derivatives	12,188	8,909
TOTAL LIABILITIES	177,258	180,658
of which Cash and balances with central banks	14,174	15,418
Credit institutions borrowings and deposits	5,008	3,591
Borrowings and deposits	95,338	104,404
Debt securities issued and other financial liabilities	24,402	23,145
Unit linked products insurance activities	3,813	4,246
Derivatives	18,310	14,019
TOTAL SHAREHOLDERS' EQUITY	10,209	10,963
of which Shareholders' core equity	9,815	10,560
Gains and losses not recognised in the statement of income	393	403
TOTAL EQUITY	10,733	11,493
of which Total shareholders' equity	10,209	10,963
Additional Tier-1 instruments included in equity	497	497
Non-controlling interests	28	33

RATIOS⁽¹⁾	31/12/20	31/12/21
Return on equity (ROE)	5.6%	9.2%
Return on assets (ROA)	0.29%	0.48%
Cost- income ratio (C/I ratio)	56.0%	54.6%
Asset quality ratio	2.02%	1.95%
Coverage ratio	60.0%	60.4%
Liquidity Coverage Ratio (LCR)	158%	195%
Net Stable Funding Ratio (NSFR)	128%	136%

(1) Unaudited.

(2) 12-month average.

SOLVENCY RATIOS	31/12/20	31/12/21
CET 1-ratio ⁽¹⁾	17.1%	16.4%
Tier 1-ratio ⁽¹⁾	18.0%	17.1%
Total capital ratio ⁽¹⁾	20.4%	19.8%
Leverage ratio	6.9%	7.1%
Solvency II – ratio (before dividend)	212%	200%
Solvency II – ratio (after dividend)	200%	190%

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

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