



Welcome to Belfius 1H 2021 results presentation

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- presentation of this conference
- detailed presentation to analysts and investors

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- « raise your hand » in MS Teams and unmute yourself for your question
- or use the chatbox



Belfius 1H 2021 results

Presentation to analysts and investors
6 August 2021

This presentation contains unaudited figures





Belfius,
meaningful
& inspiring for
Belgian Society.
Together

Belfius 1H21 results - Highlights

Very strong commercial dynamics

Excellent financial results

Sustained financial solidity,
reconfirmed by stress test results

Continued investments in our business model
with Belfius' ESG embedded in all initiatives

Meaningful & inspiring for Belgian society. Together.



Belfius 1H21 results - Highlights

Very strong **commercial dynamics**

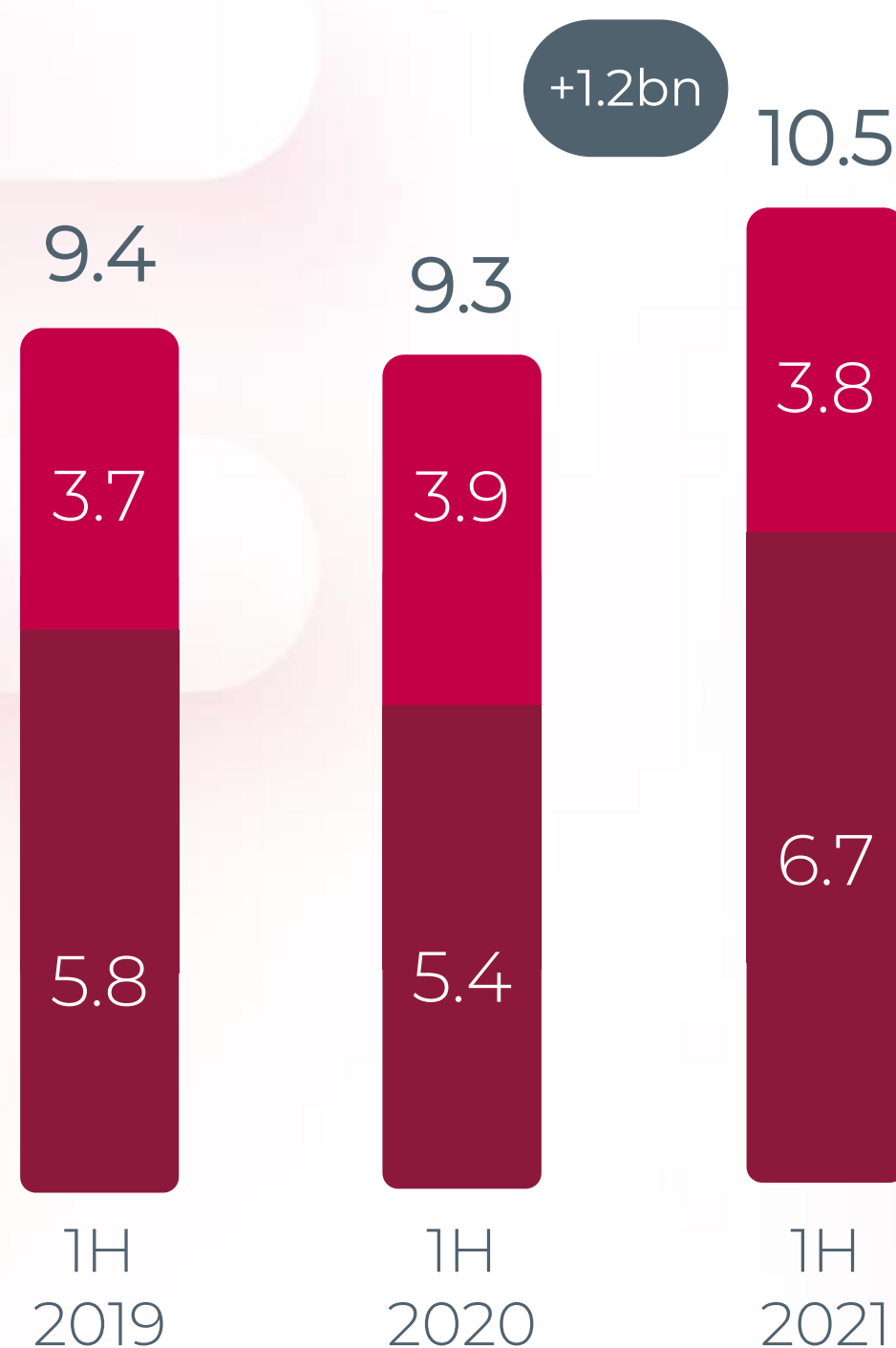
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Strong loan dynamics in improving economic context

Production LT loans
(bn€)



16.1%¹ Market share
mortgage loans

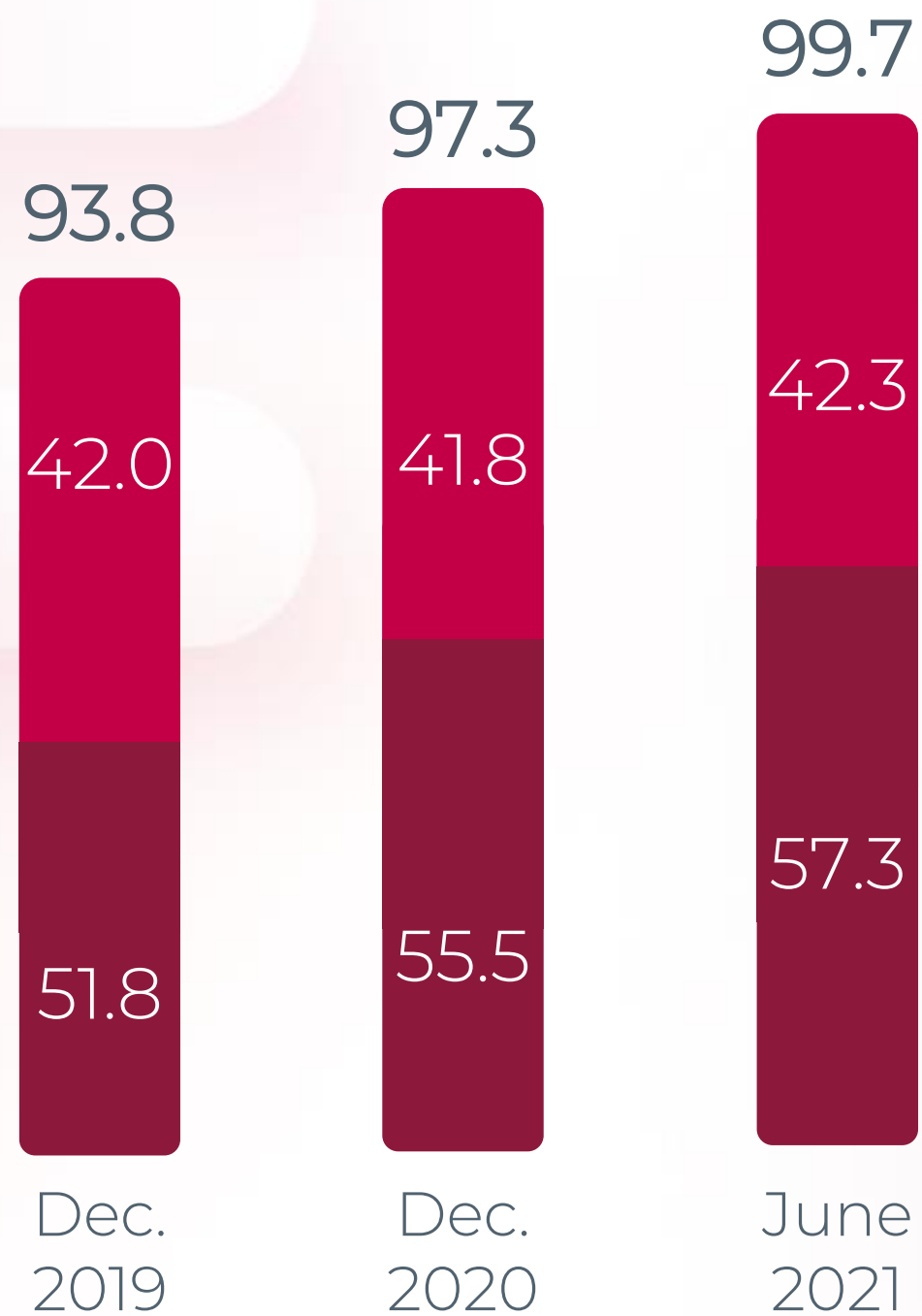
17.3%² Market share
business loans

17.5%³ Market share
corporate loans

PC
RC

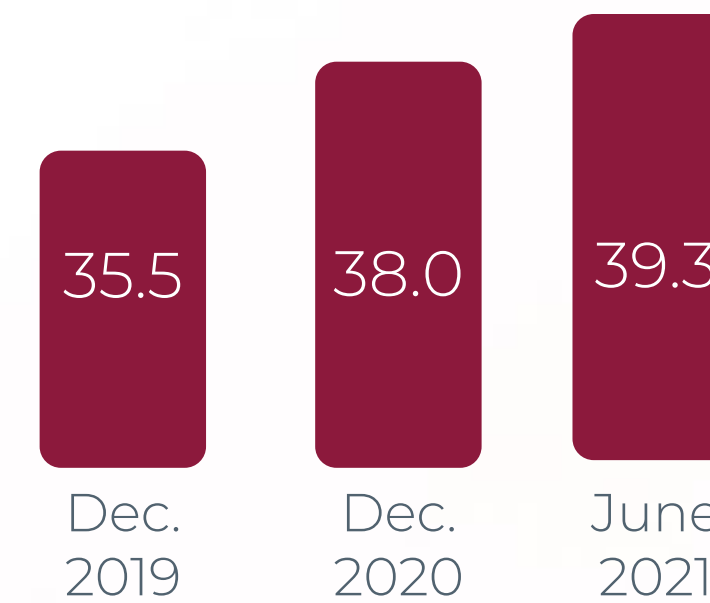
Stock reaching 100 bn€

Outstanding loans to customers (bn€)



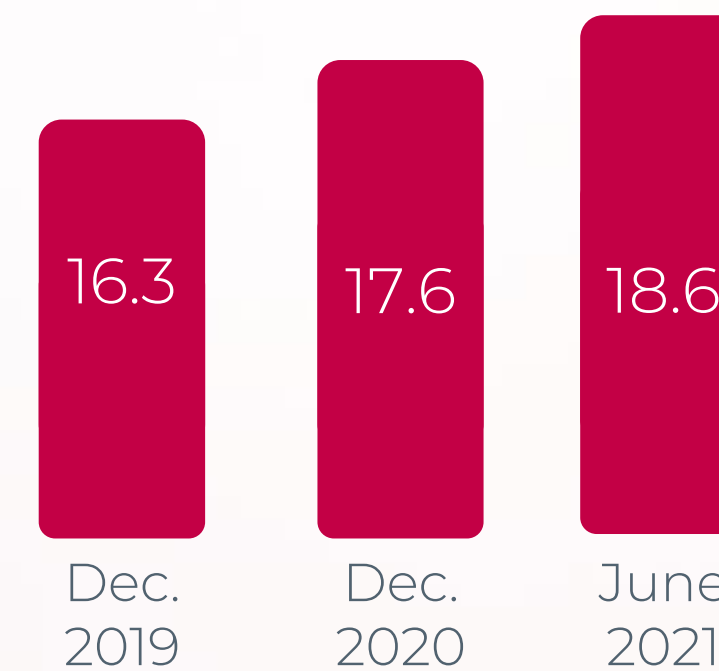
PC
RC

Mortgage loans (bn€)



Average
internal
rating
of BBB

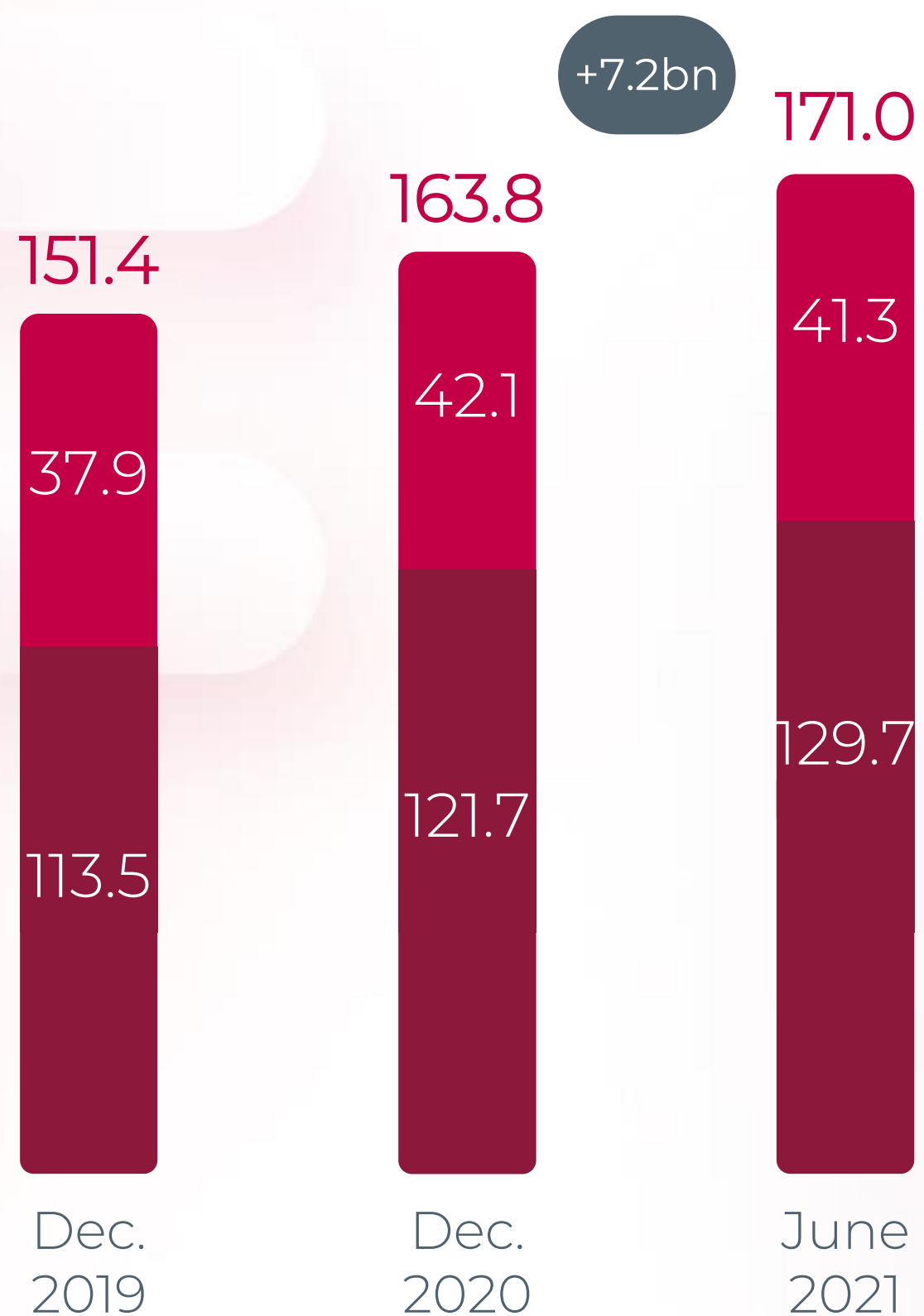
Corporate loans (bn€)



Average
internal
rating
of BB

Positive dynamics accelerating transformation into Bank for Investors

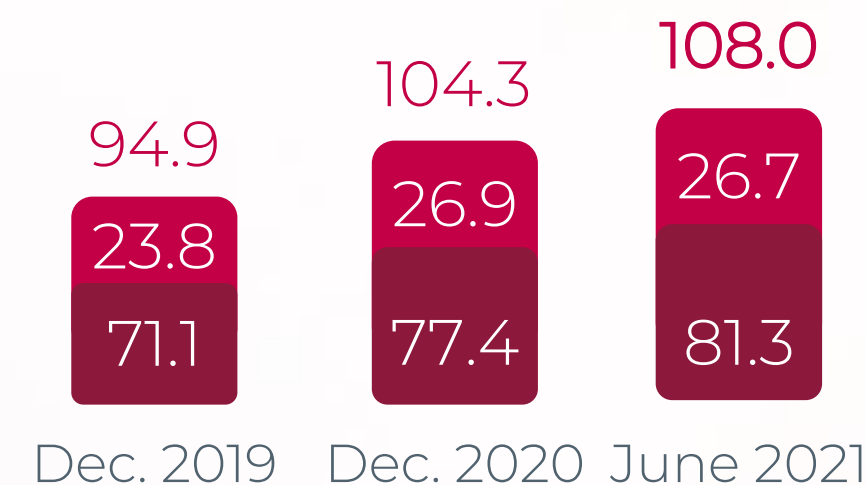
Outstanding S&I (bn€)



Off-balance sheet AuM (bn€)



Deposits (bn€)



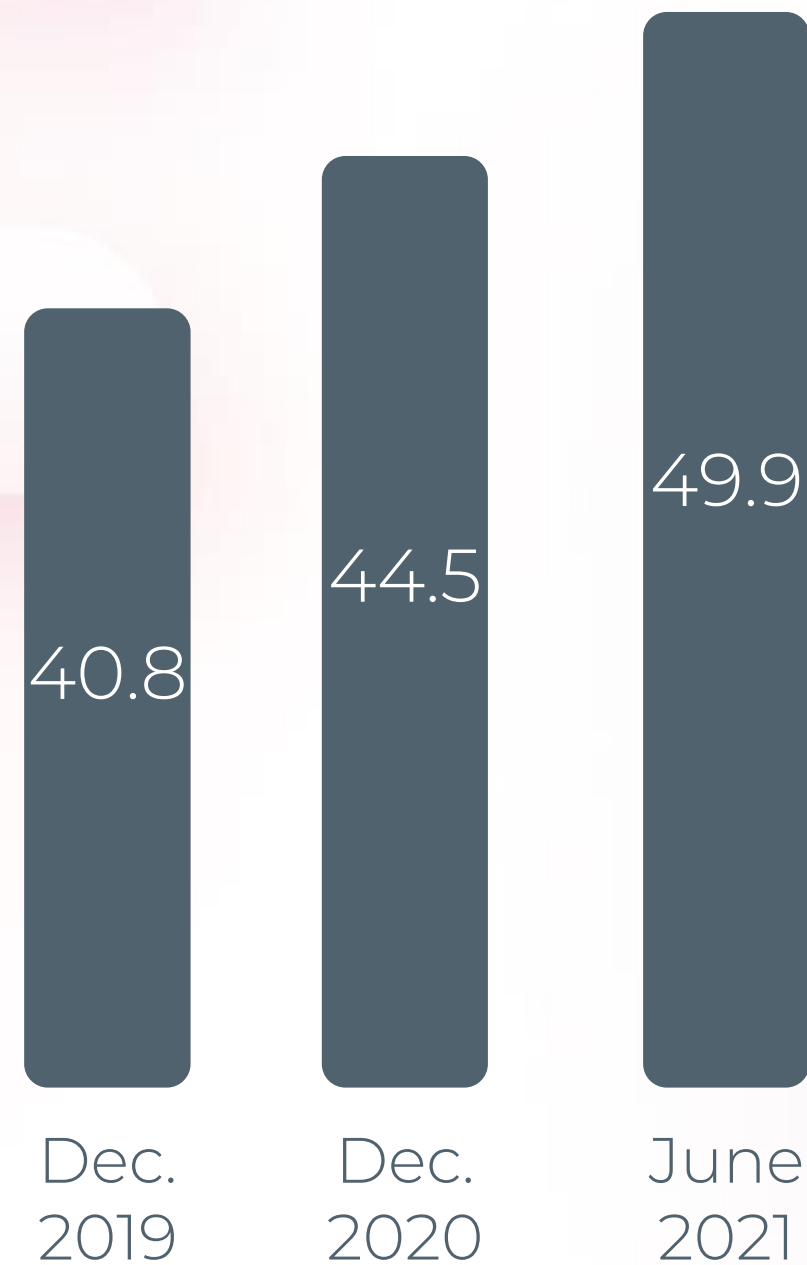
Life reserves investments (bn€)



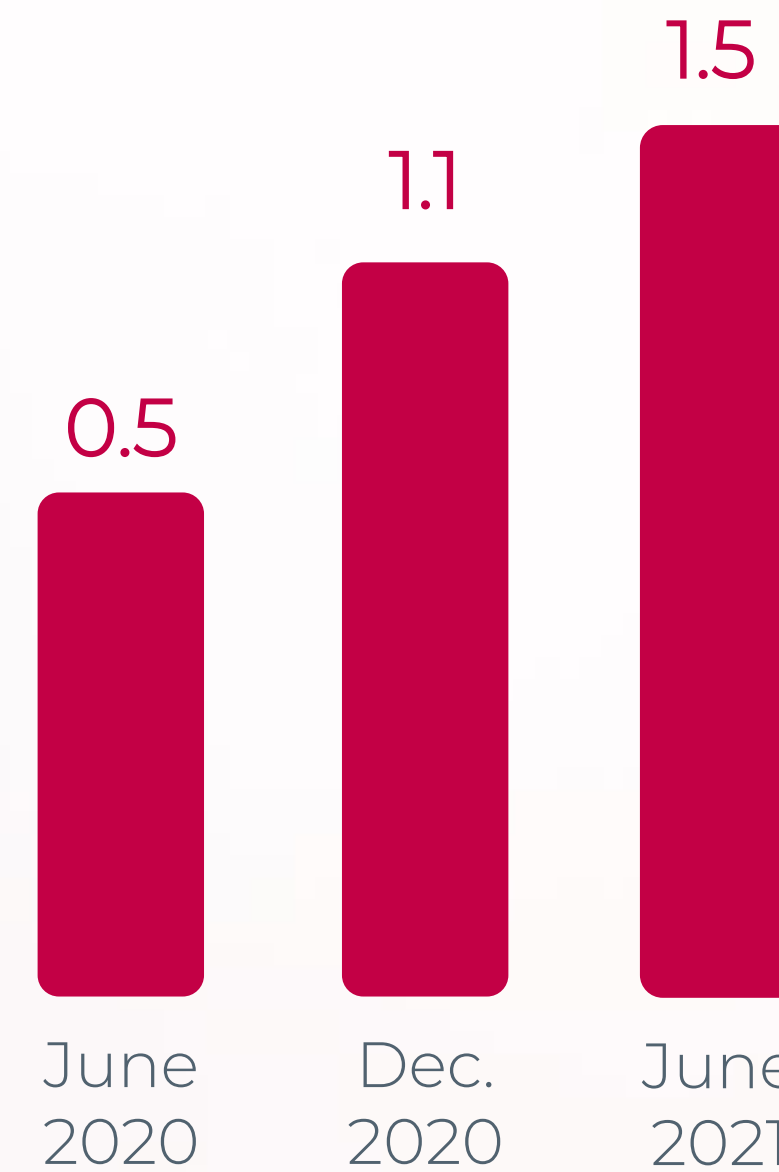
Total S&I of 171.0 bn€ per 1H 2021

Growing Private & Wealth franchise, supported by Belfius' specific AM positioning

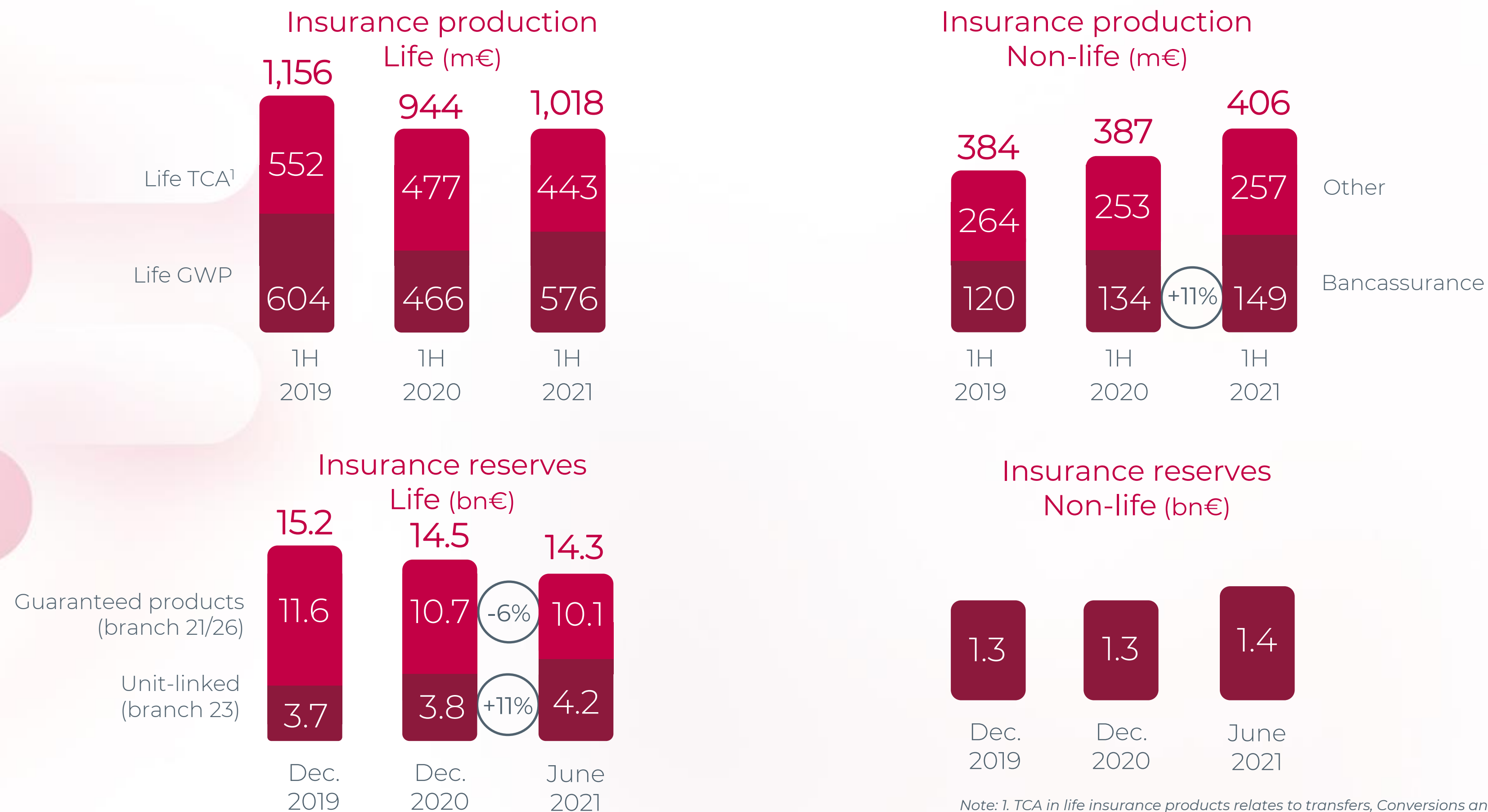
Savings & Investments
Private & Wealth
(bn€)



Funds of the future
Assets under Management
(bn€)

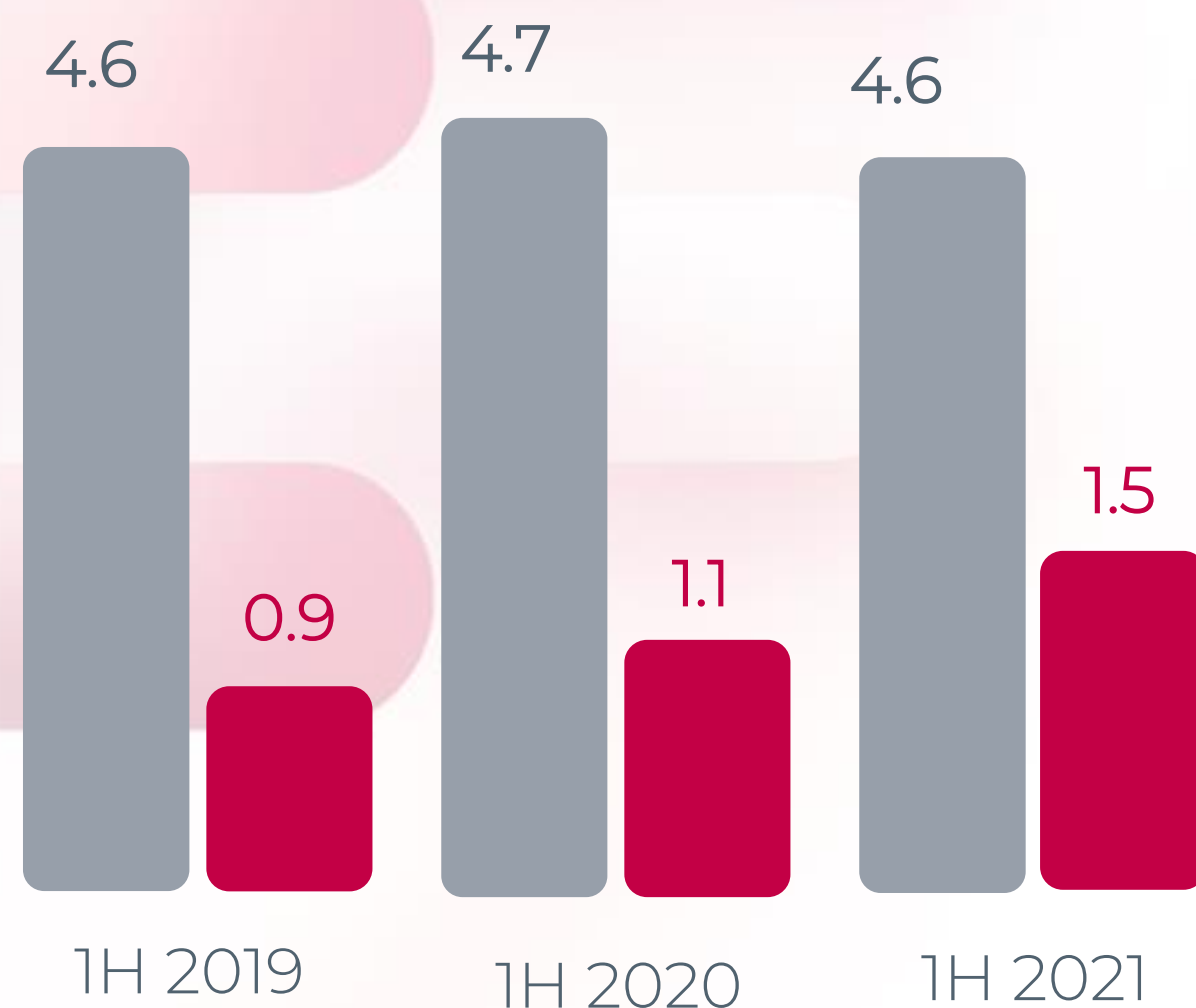


Continued shift towards unit-linked and double-digit growth in retail bancassurance non-life

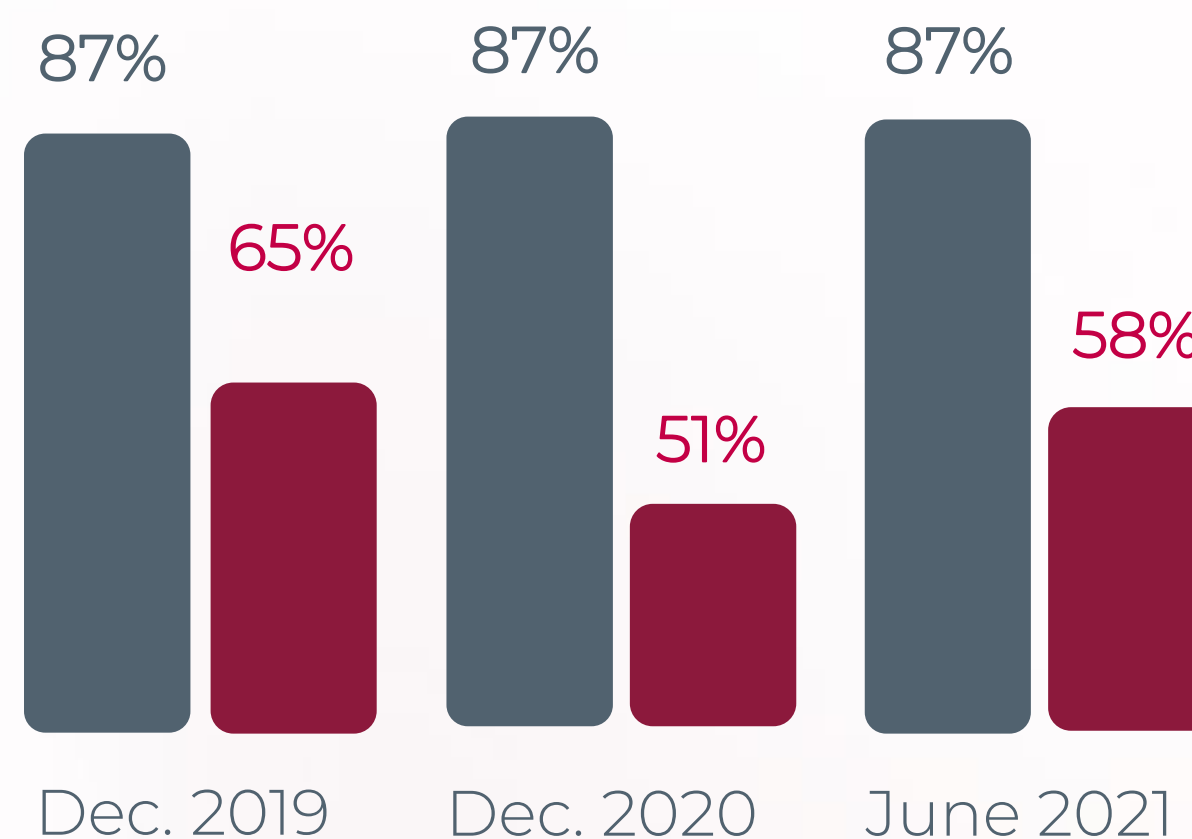


Continued development of financial markets services

DCM activity
(bn€)



DCM participation rate



Equity Capital Markets (ECM)

6

Transactions in 1H 2019

7

Transactions in 1H 2020

9

Transactions in 1H 2021 for a total
transaction value of **1.2 bn€**

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Strong commercial dynamics translate into excellent results

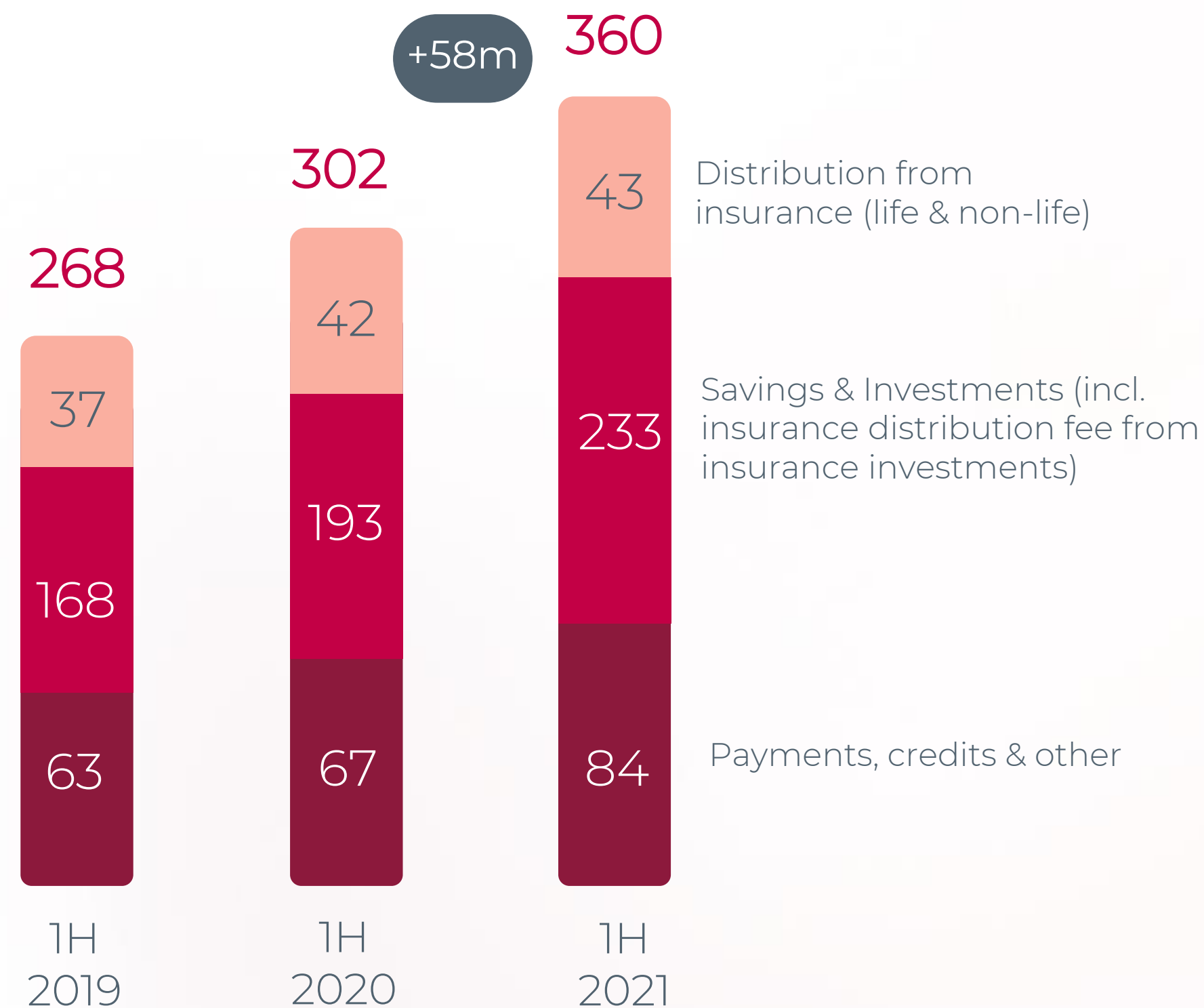
	1H 2019	1H 2020	1H 2021	Δ vs 1H 2020
Income	1,155 m€	1,132 m€	1,232 m€	+100 m€
Costs	710 m€	711 m€	720 m€	+9 m€
Pre-provision income	445 m€	421 m€	512 m€	+92 m€
Cost of risk	30 m€	393 m€	-31 m€	-424 m€
Net income	304 m€	21 m€	406 m€	+384 m€
Of which Belfius Bank Belfius Insurance	179 m€ 126 m€	-68 m€ 89 m€	290 m€ 116 m€	
Cost / Income ratio	61.5%	62.8%	58.4%	-4.4%
Cost / Income ratio proforma sector levies ¹	56.1%	56.9%	52.6%	-4.3%

Note: 1. Cost / Income ratio with annualization of the bank levies (otherwise fully accounted for in 1H financials)

Dynamic revenue growth and diversification

	1H 2019	1H 2020	1H 2021	Δ vs 1H 2020
Income	1,155 m€	1,132 m€	1,232 m€	+100 m€
Net interest income bank	738 m€	779 m€	797 m€	+18 m€
Net fee & commission income	268 m€	302 m€	360 m€	+58 m€
Life insurance contribution	171 m€	115 m€	144 m€	+29 m€
Non-life insurance contribution	90 m€	129 m€	122 m€	-7 m€
Other income	-112 m€	-193 m€	-191 m€	+3 m€

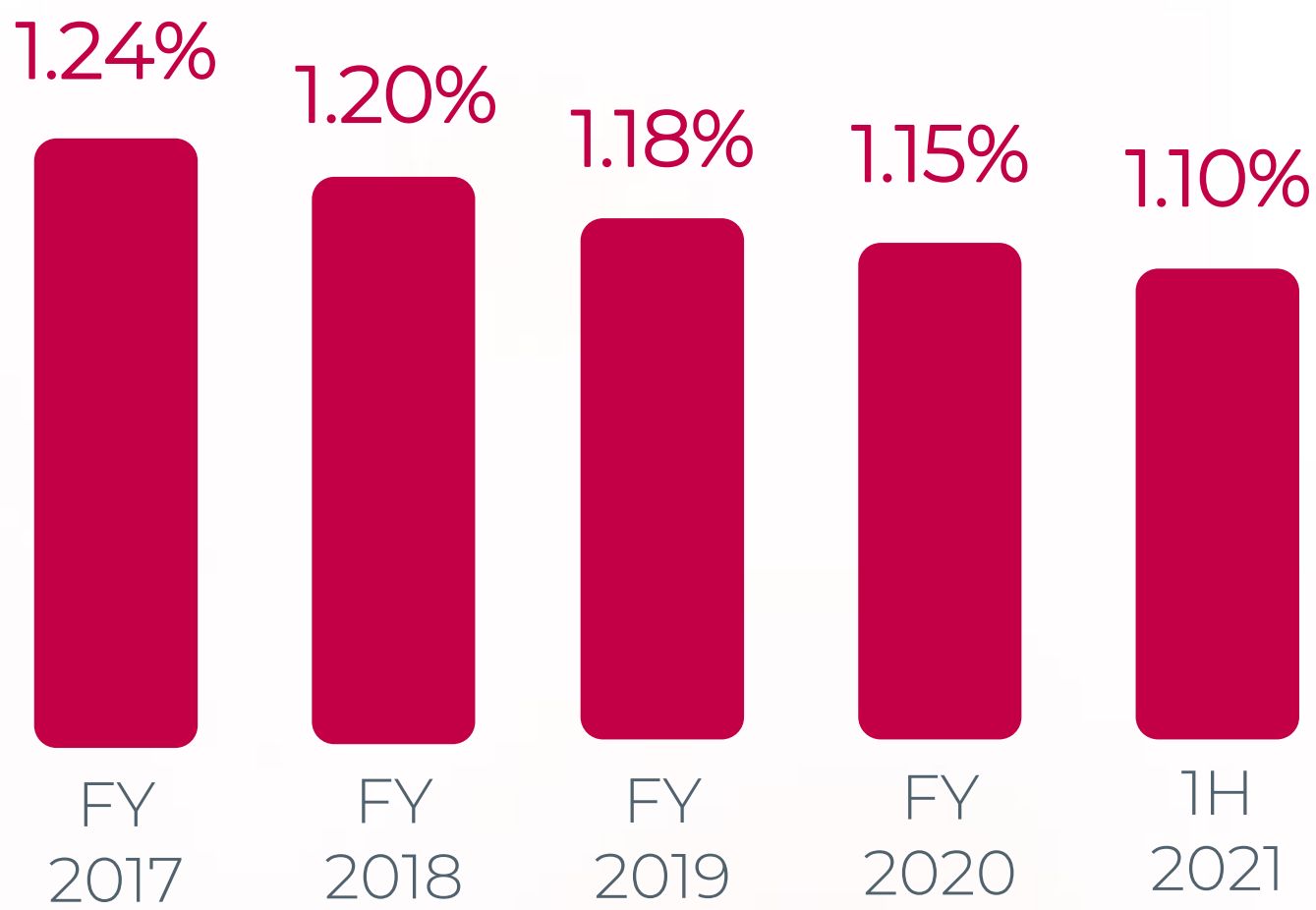
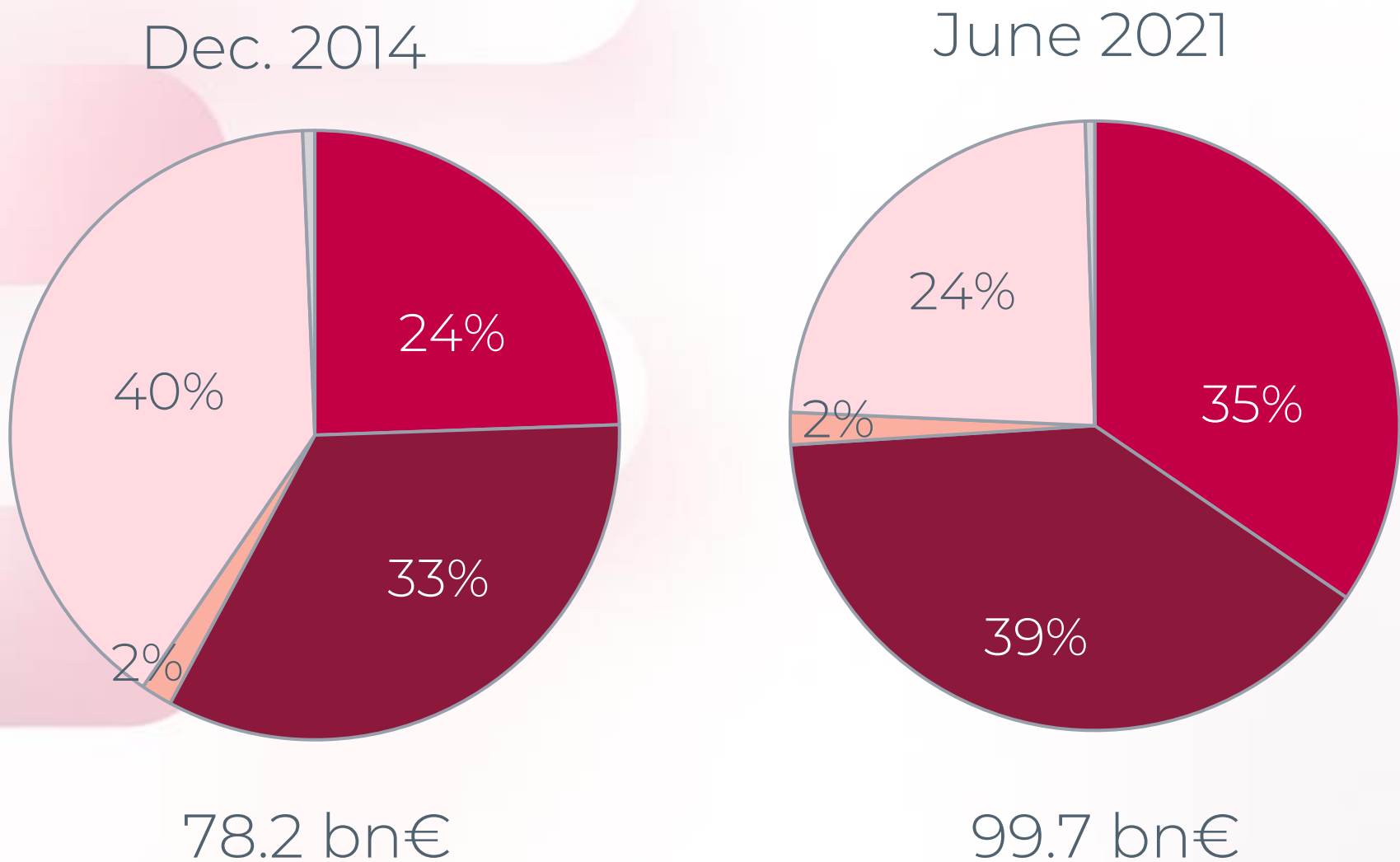
Success of 'Bank for Investors' strategy enabled to further increase fee & commission income



Resilient net interest income in 'lower for longer' interest rate environment

Evolution of the loan portfolio

Net interest margin¹

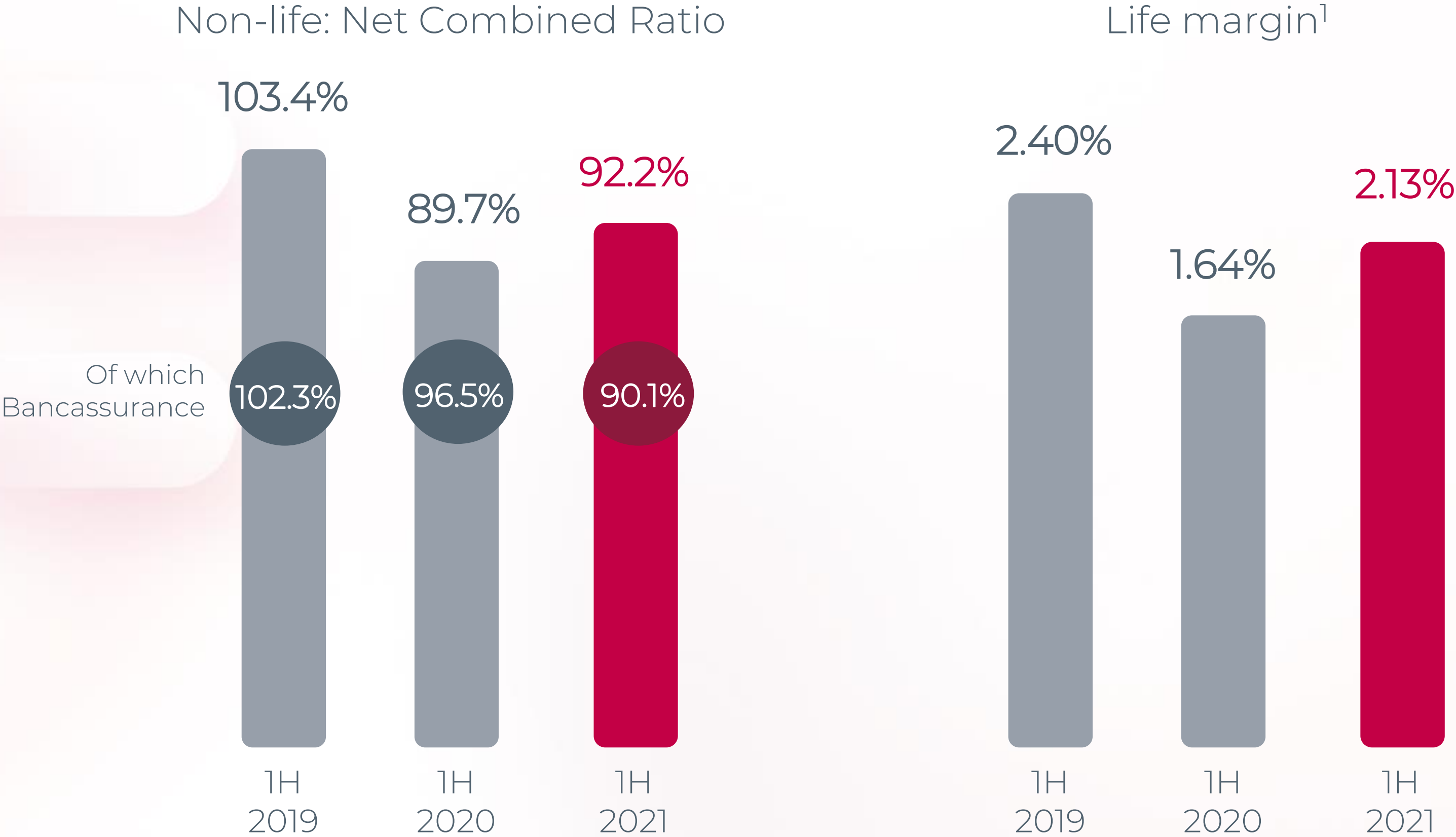


- Consumer loans
- Public & social loans
- Mortgage loans
- Corporate & business loans
- Other individual loans

Note: 1. NIM calculated as the sum of quarterly NII at Belfius Bank (without dividend income) of the last 4 quarters divided by the average of the interest earning assets at Belfius Bank of the last 4 quarters



Continuously strong financial margin on life insurance reserves

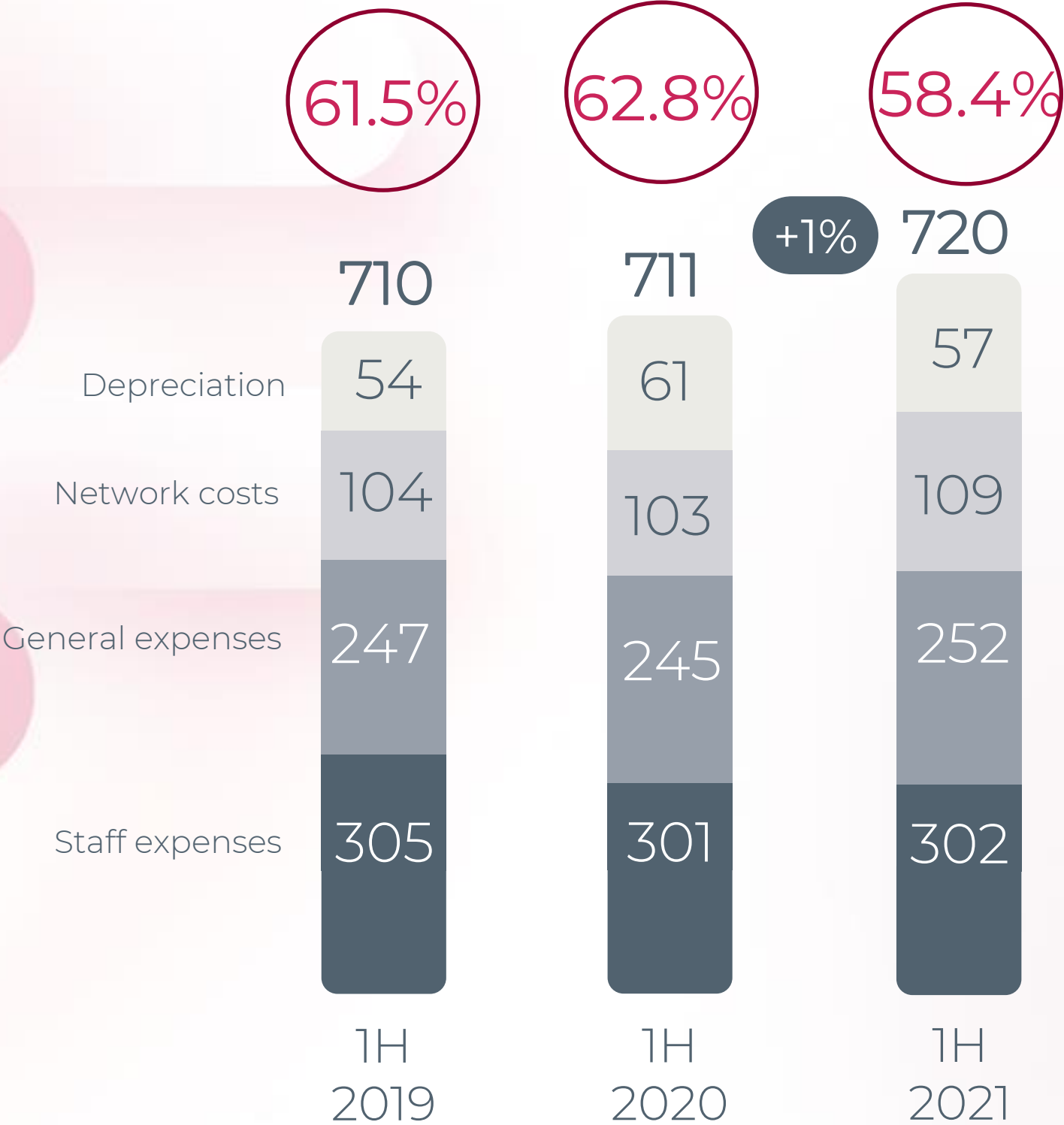


Note: 1. Life margin based on adjusted life income

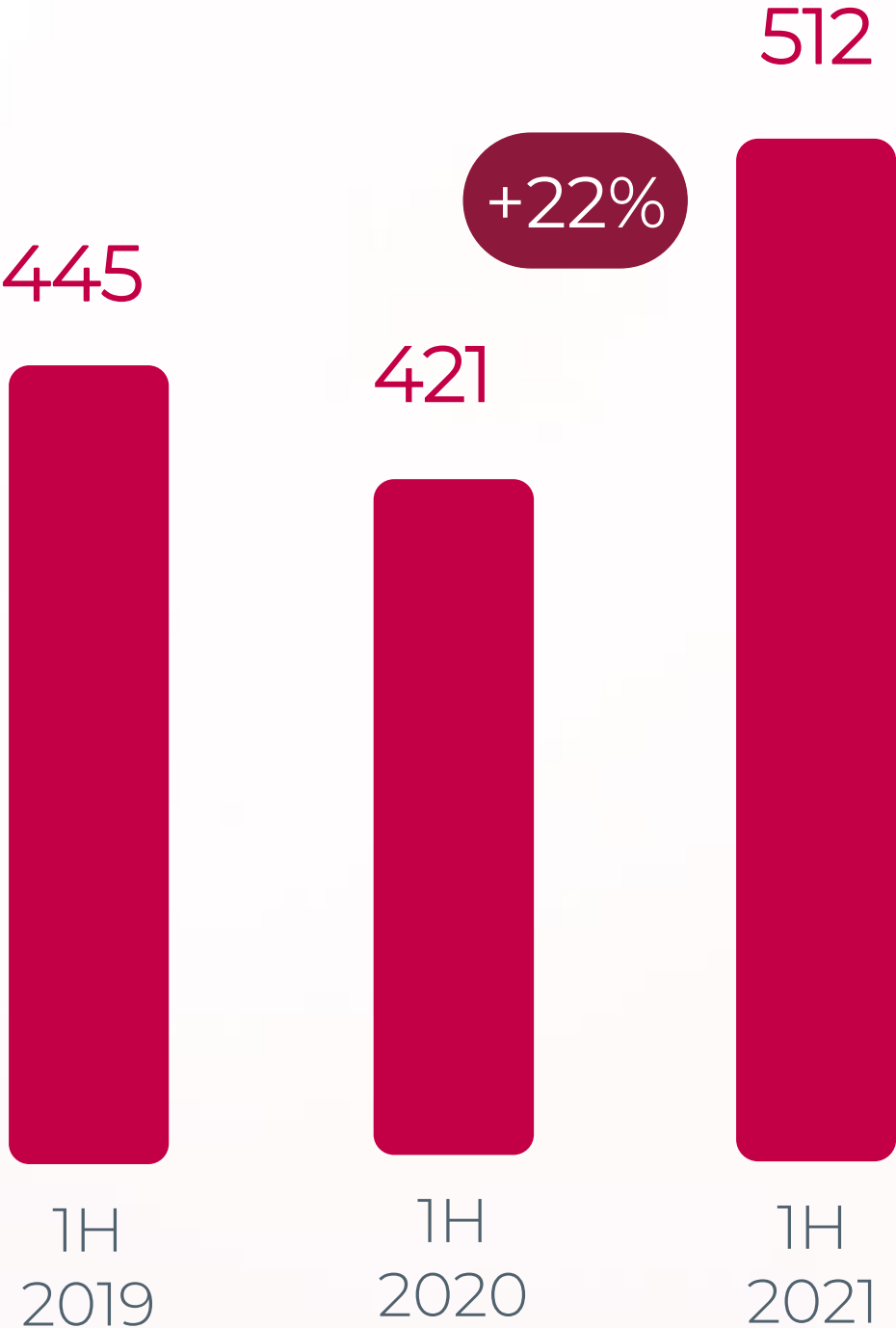


These income dynamics, combined with continued cost containment, led to record pre-provision income

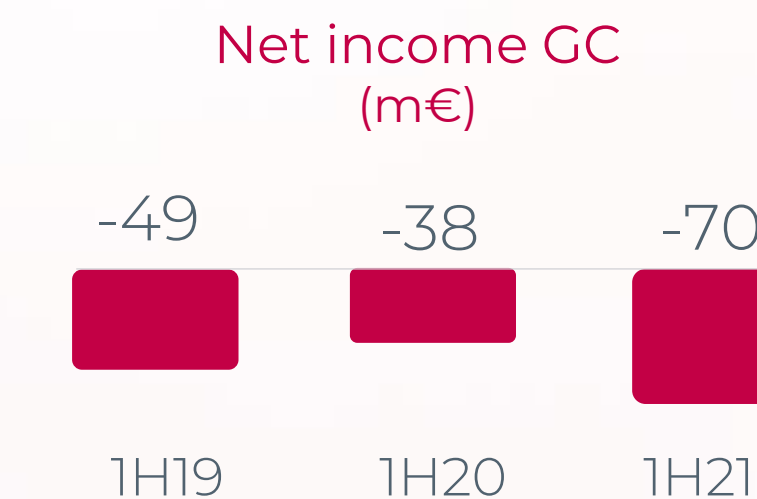
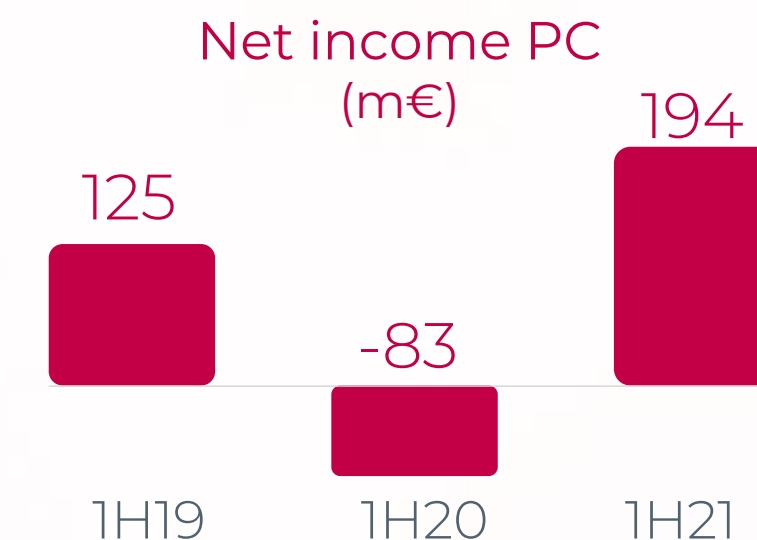
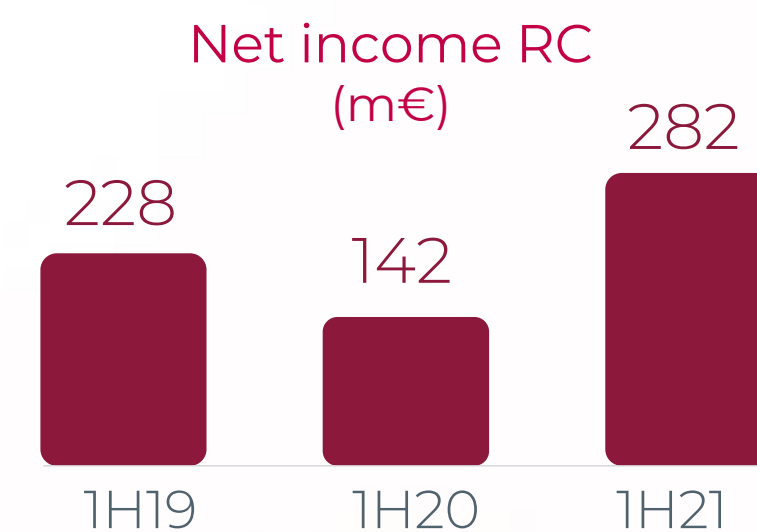
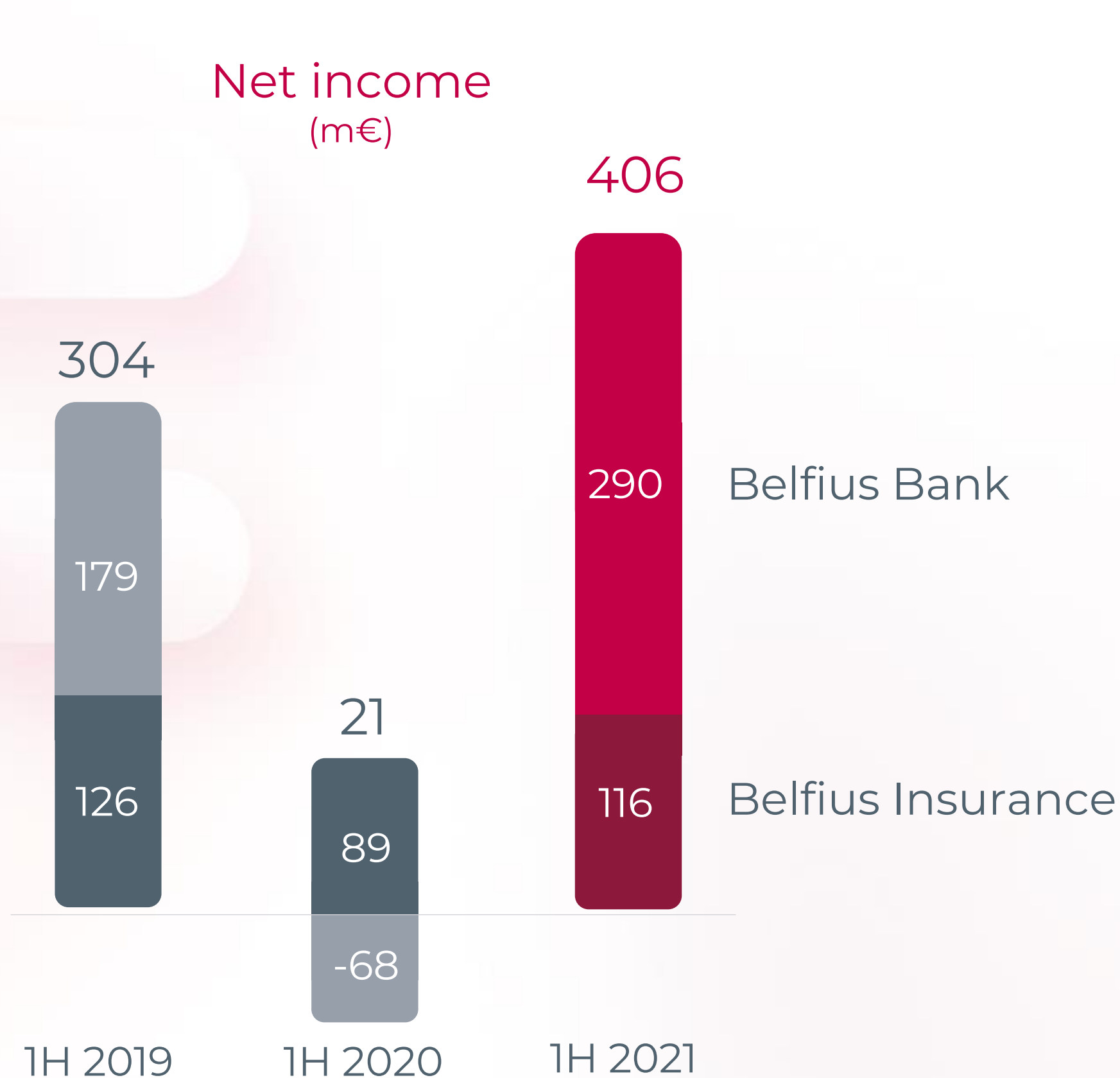
Expenses and Cost-Income ratio (in m€)



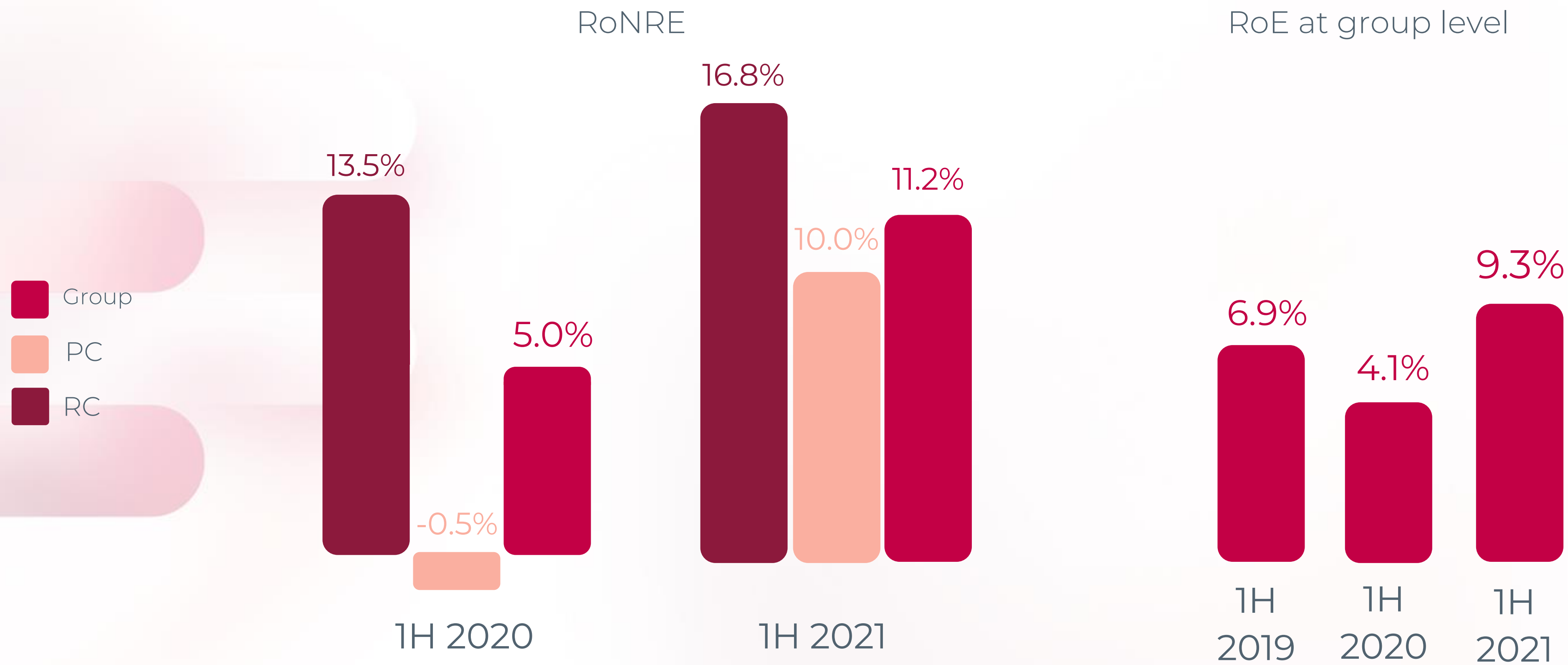
Pre-provision income (in m€)



Excellent 1H 2021 net result of 406 m€ well above 1H 2019 level



Materially higher Return on Equity at group level, Return on Normative Regulatory Equity above 10% per 1H 2021



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Continued investments in our business model
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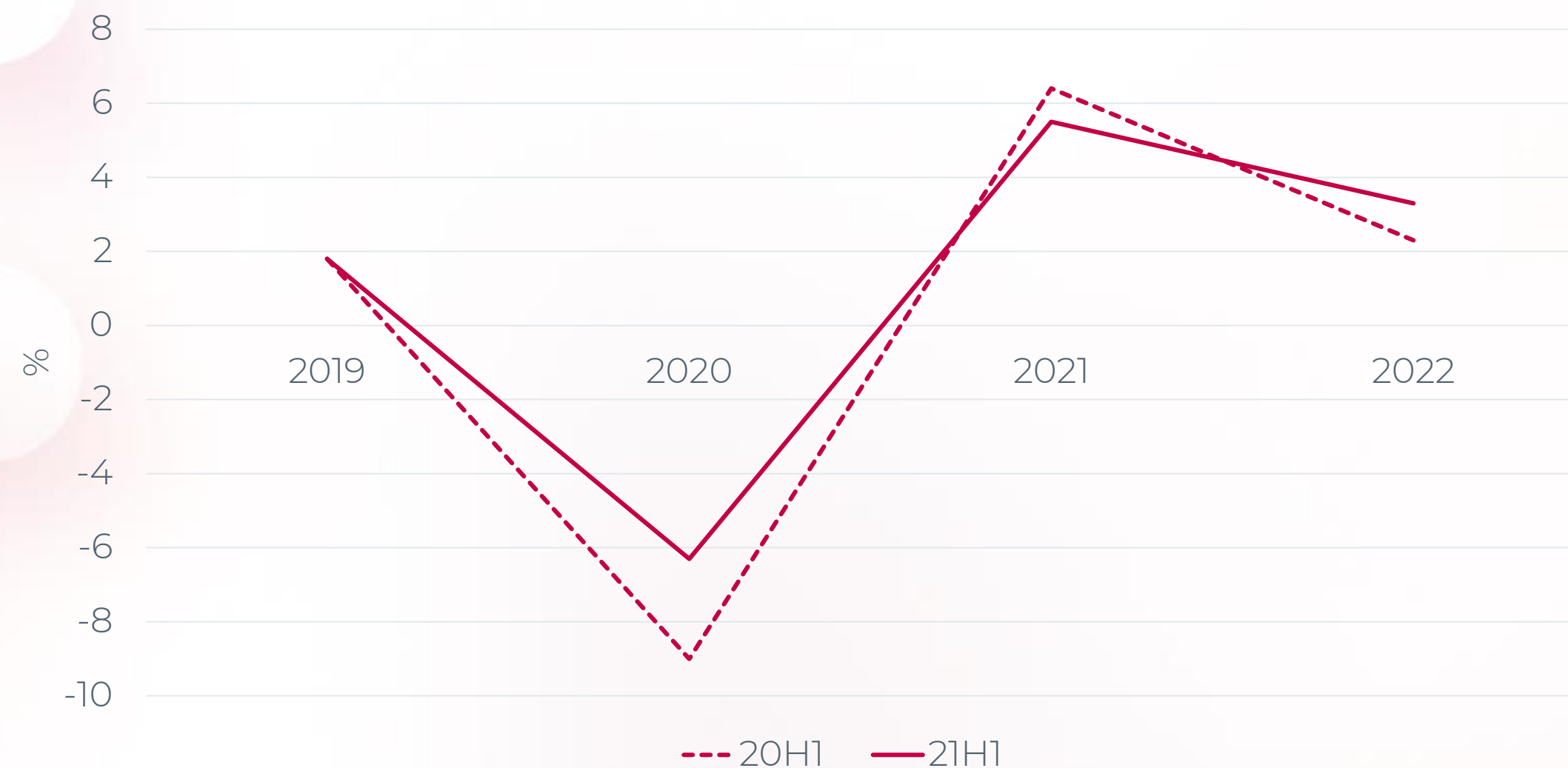
Meaningful & inspiring for Belgian society. Together.

Covid-related provisioning:

1. Macroeconomic factors

Favourable evolution of
macroeconomic forecasts

Belgium's GDP growth prospects



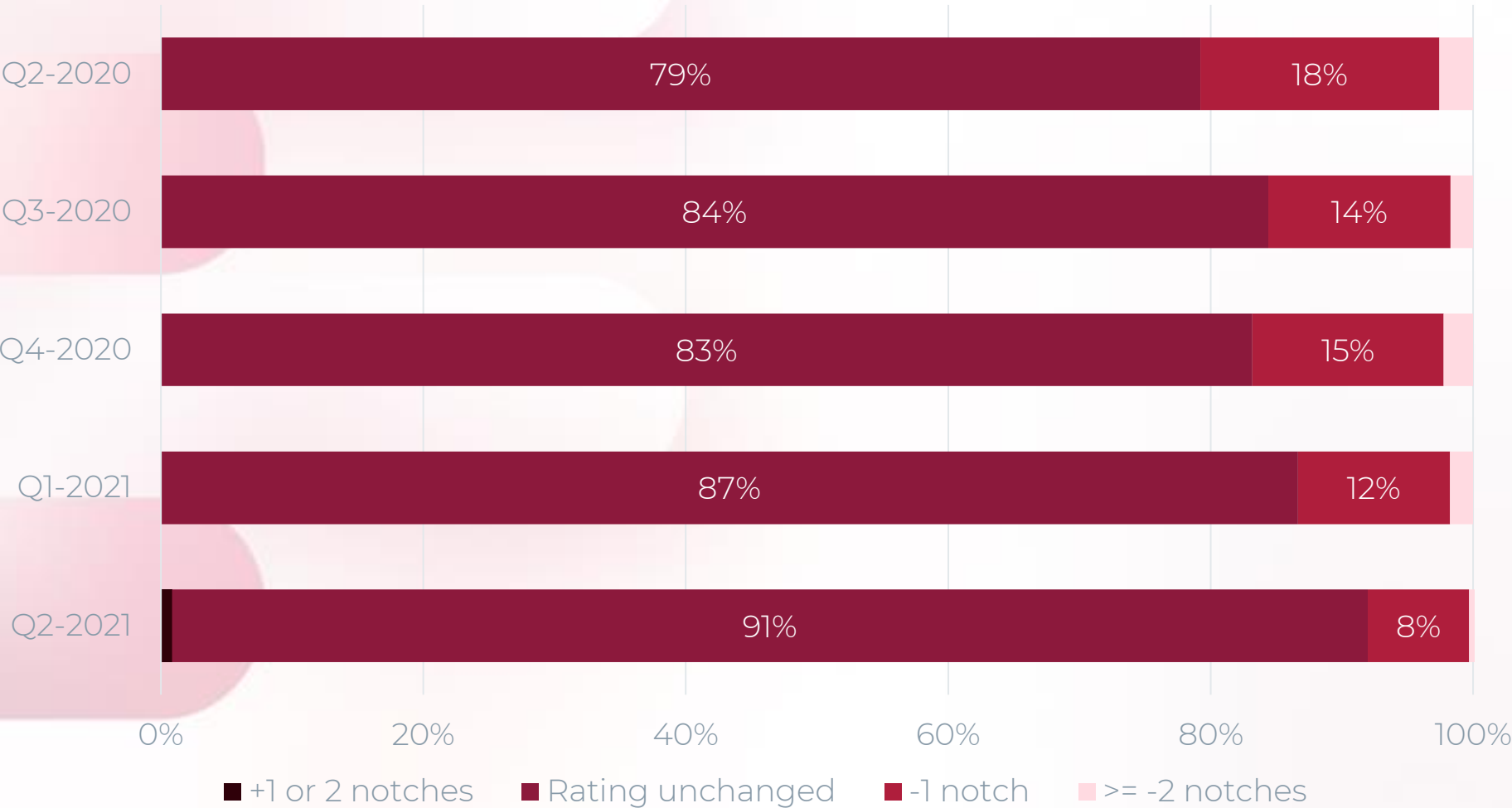
Faster than expected rebound of
Belgian and European economies

Covid-related provisioning:

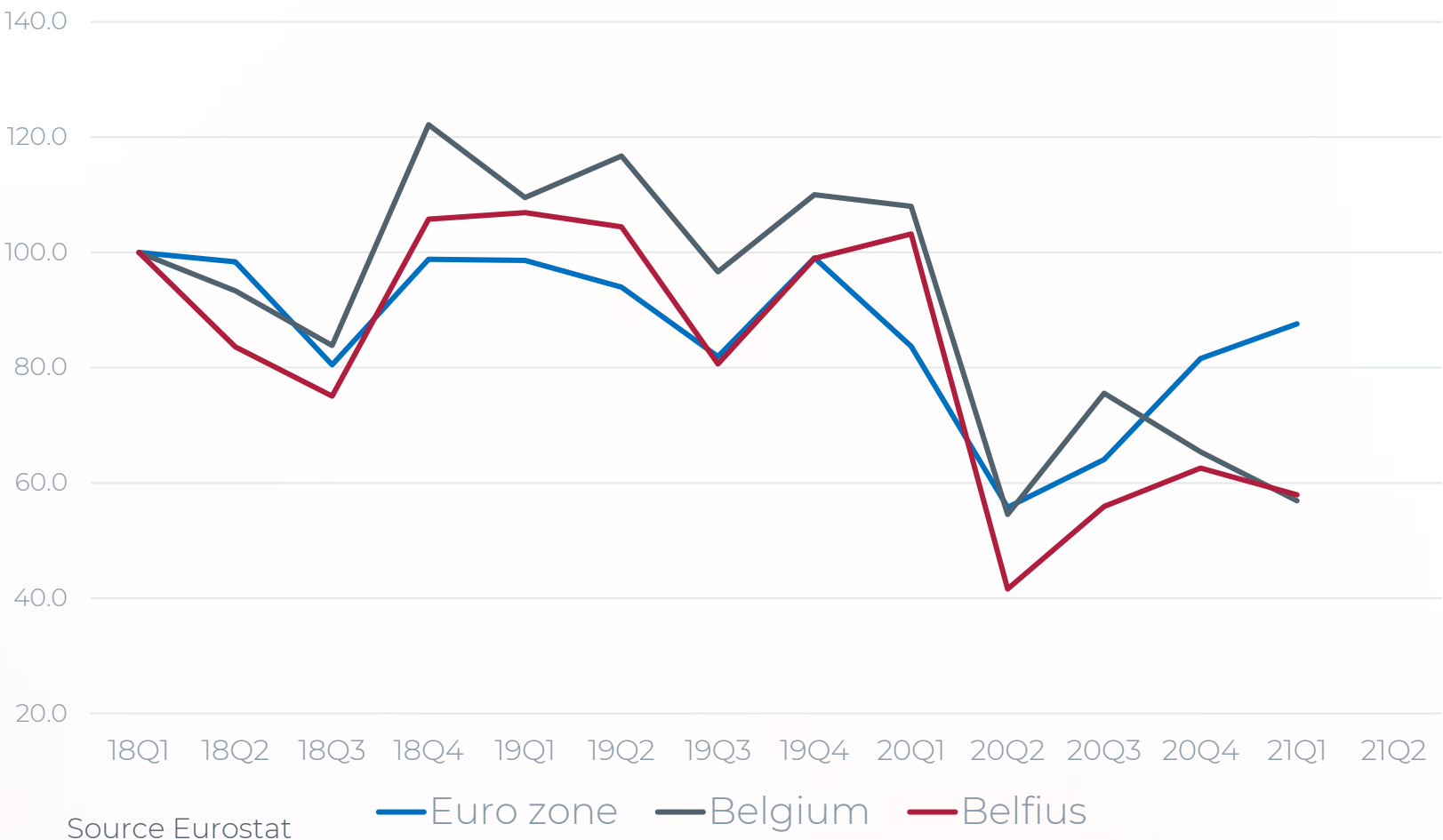
1. Macroeconomic factors

Strong resilience of businesses

Covid impact on yearly rating updates of Corp & MidCorp counterparties



Evolution of bankruptcies (18Q1 =100)



Limited deterioration in credit quality
and low new default inflows



Covid-related provisioning: 2. Extra layers

Moratoria

Normal installments
picked-up for more
than 6 months



Release of
Covid buffers

Running for more
than 9 months



Increase of
Covid buffers

Sensitive sectors & companies

Covid-sensitive sectors and
companies that fared better
than anticipated



Release of
Covid buffers

Covid-sensitive sectors and
companies having been under
support measures for longer
period



Increase of
Covid buffers

Improving economic environment leading to Cost of (credit) Risk of – 31m€

Pillar 1

Macro-economic factors
(Through-The-Cycle approach)

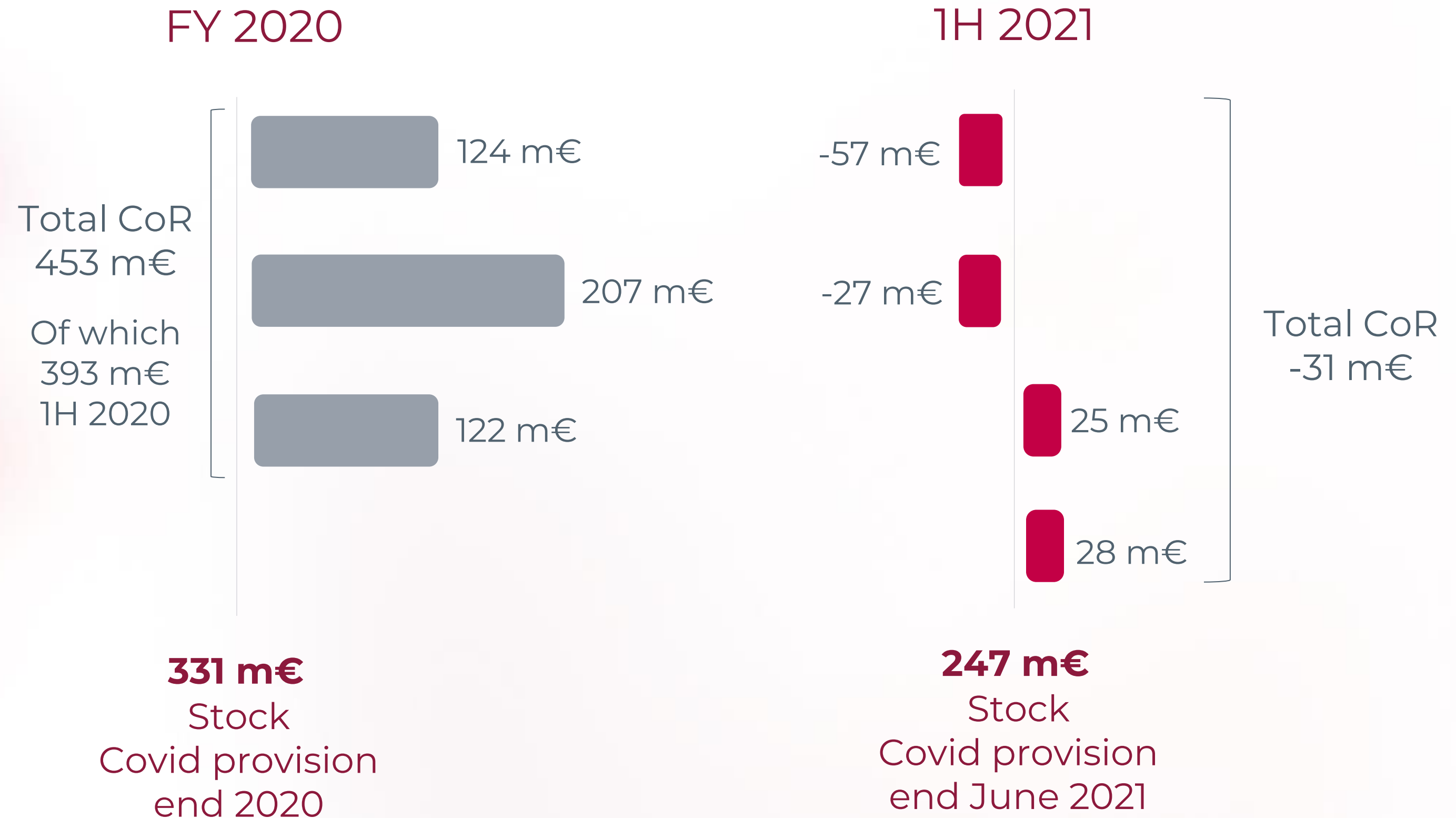
Pillar 2+3

Extra Covid layers
(Expert based)

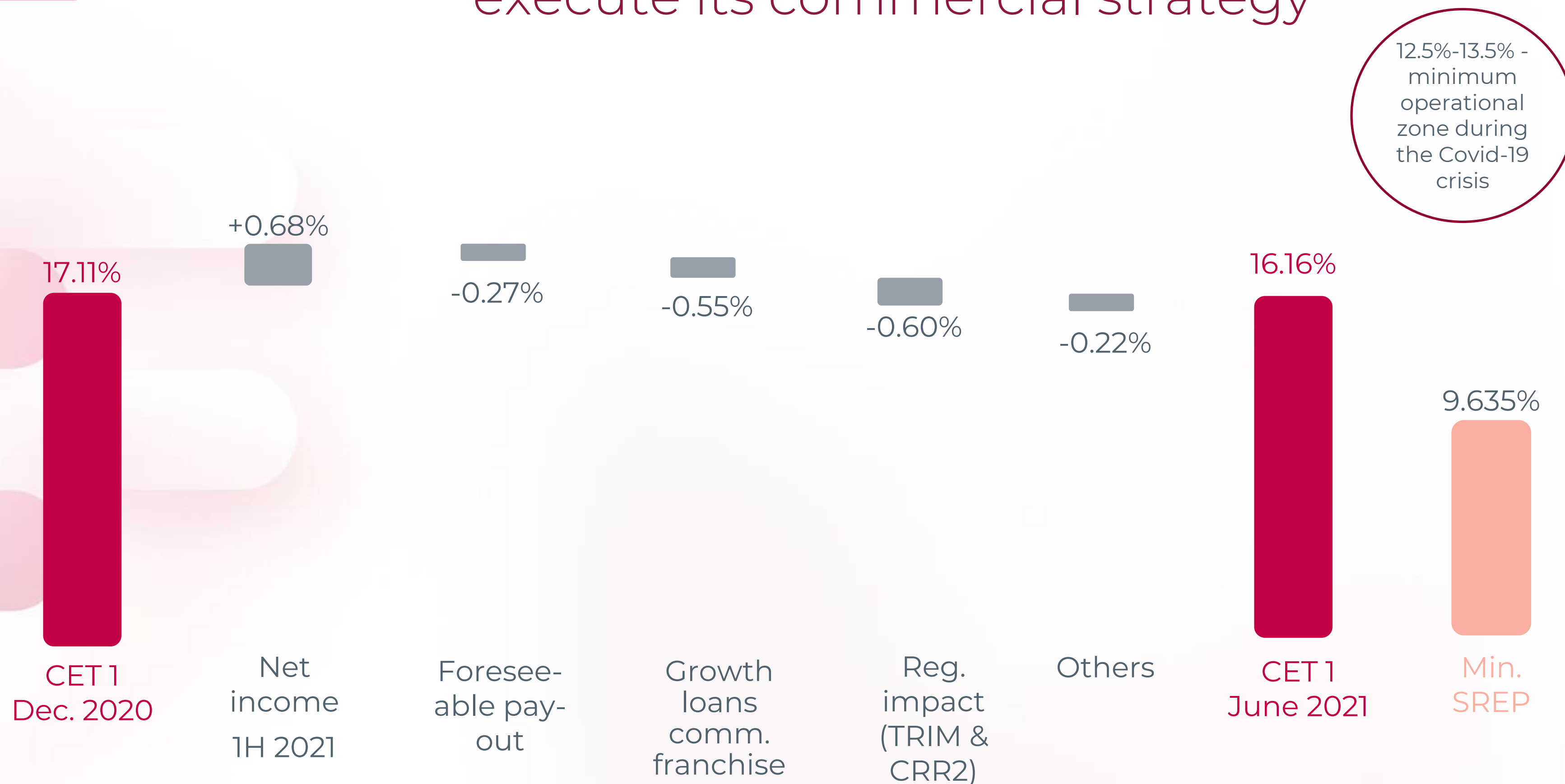
Pillar 4

Credits in default

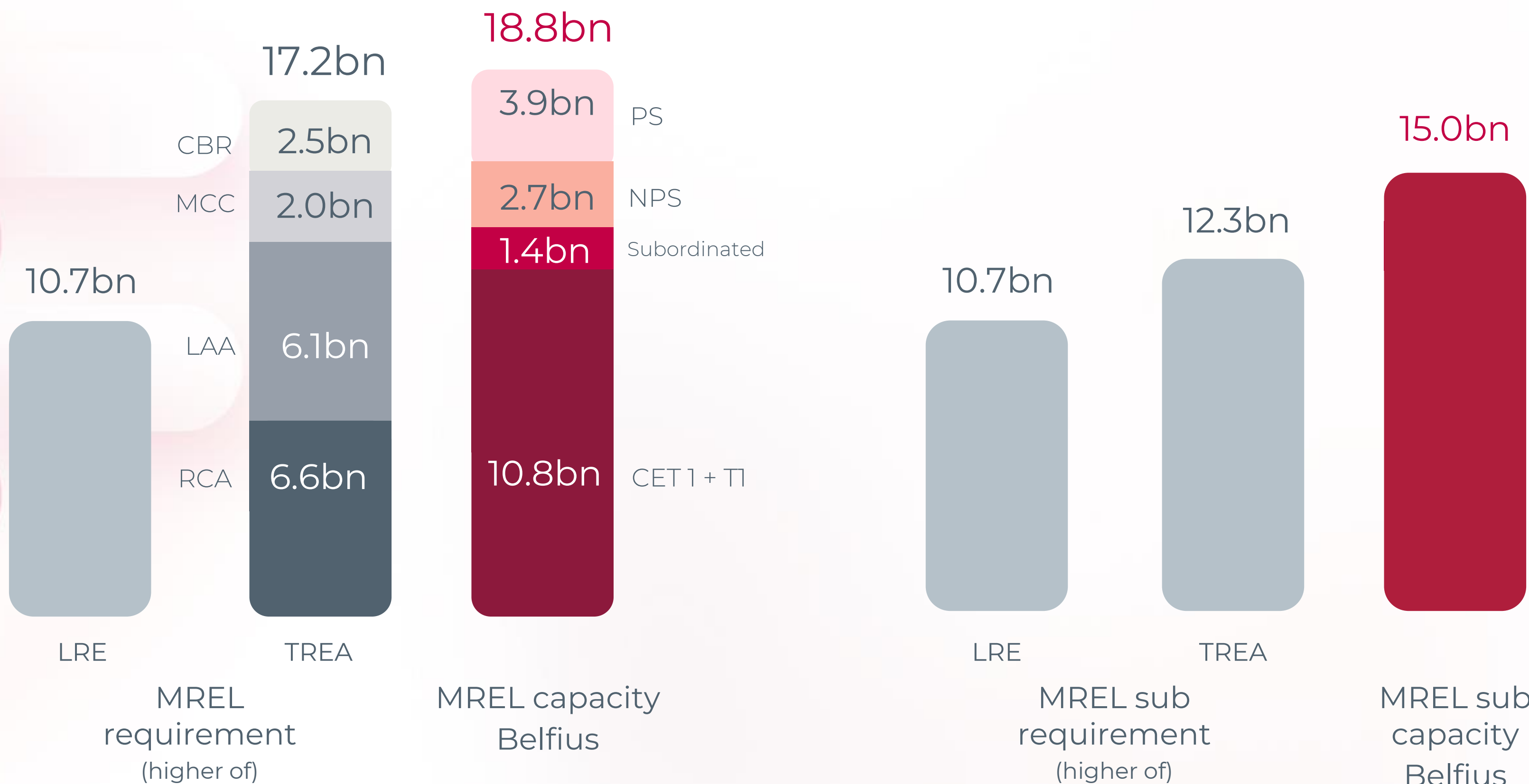
Provision for normal
portfolio evolution



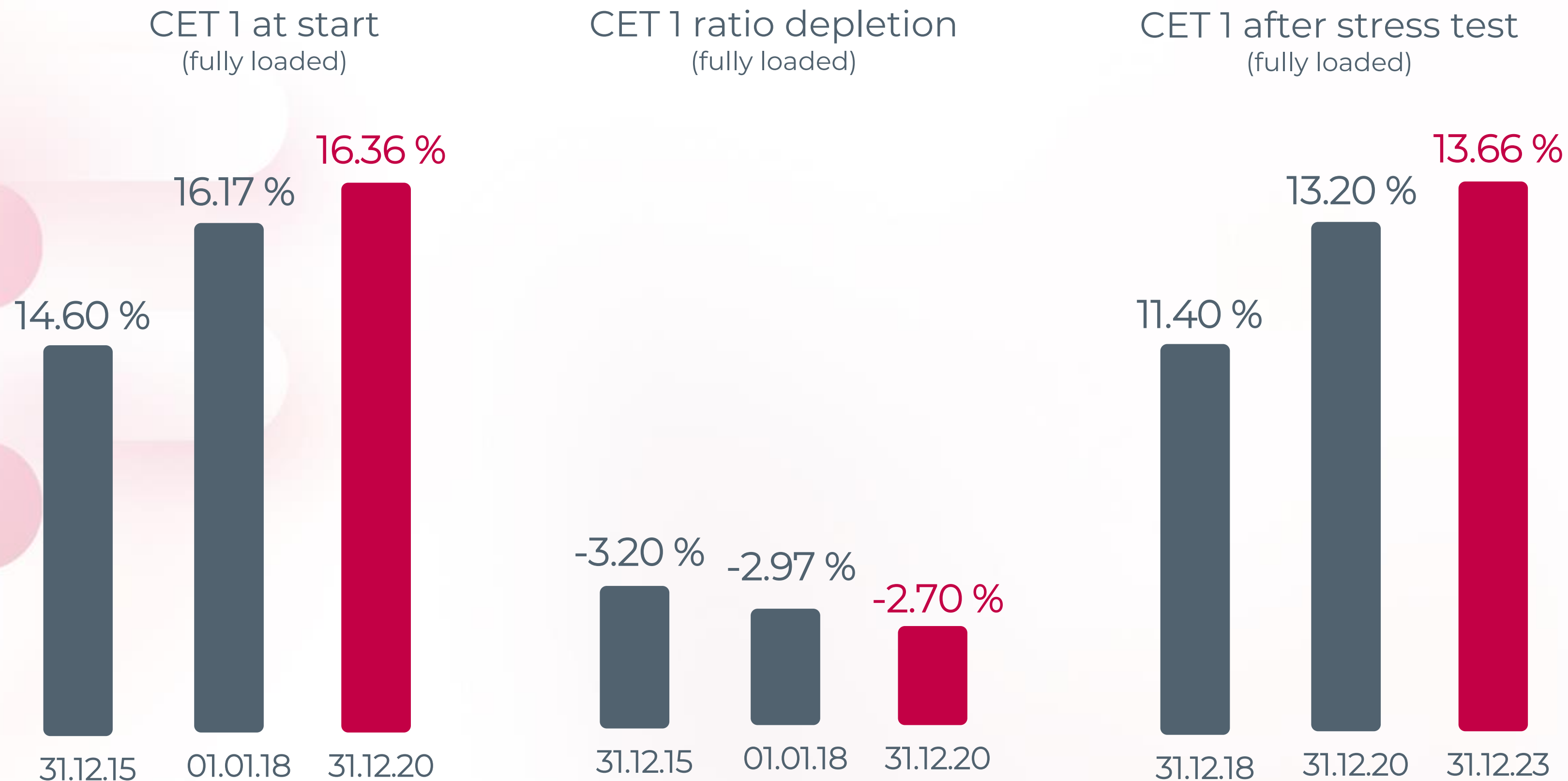
Continued solid CET1 ratio is enabling Belfius to continue to support the Belgian economy and to execute its commercial strategy



Already compliant with SRB MREL requirements



Belfius keeps improving its financial solidity



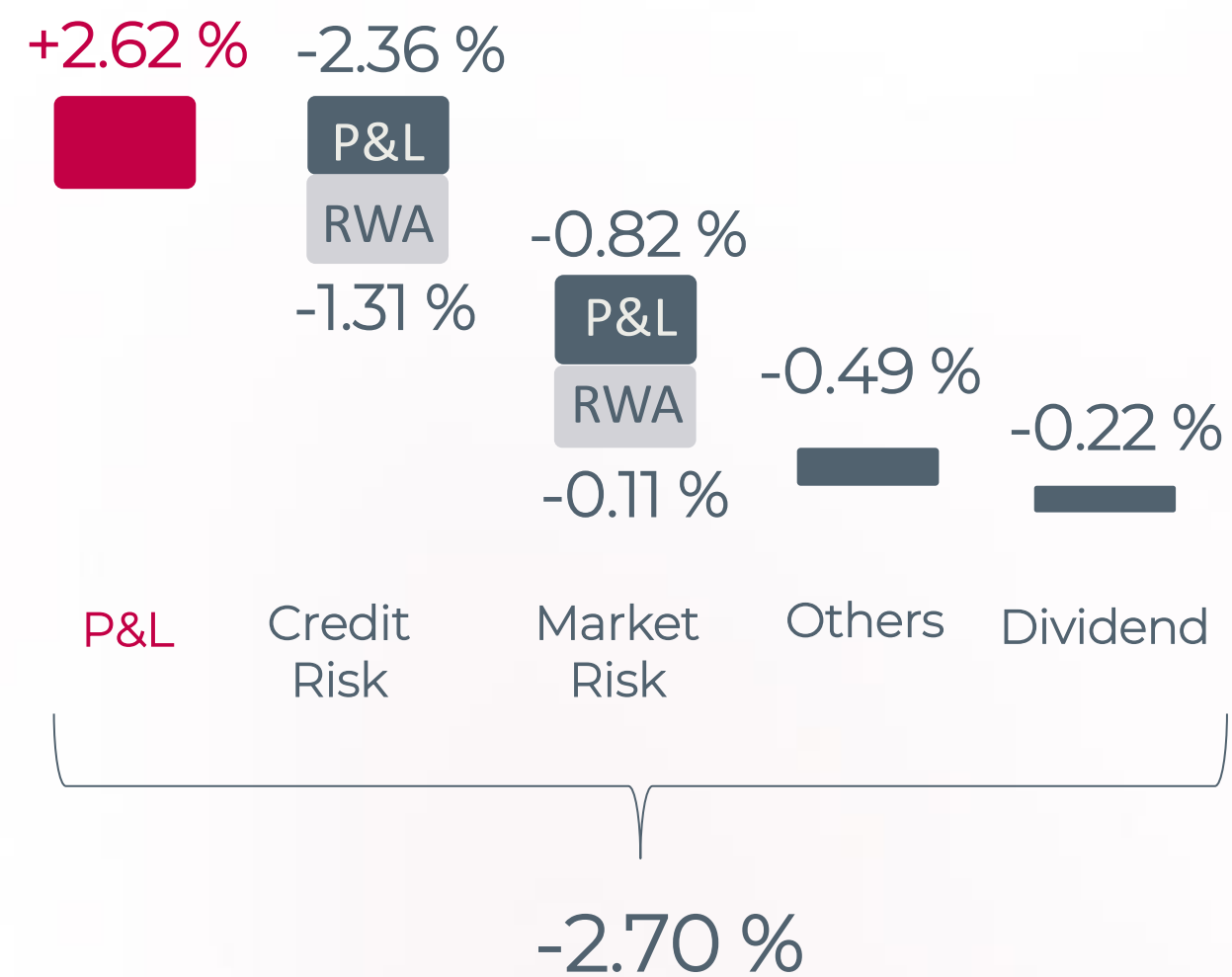
Waterfall impact 2021 stress on Belfius Fully Loaded CET 1 Ratio

CET 1 at start
(fully loaded)

16.36 %

01.01.21

CET 1 ratio depletion
(fully loaded)

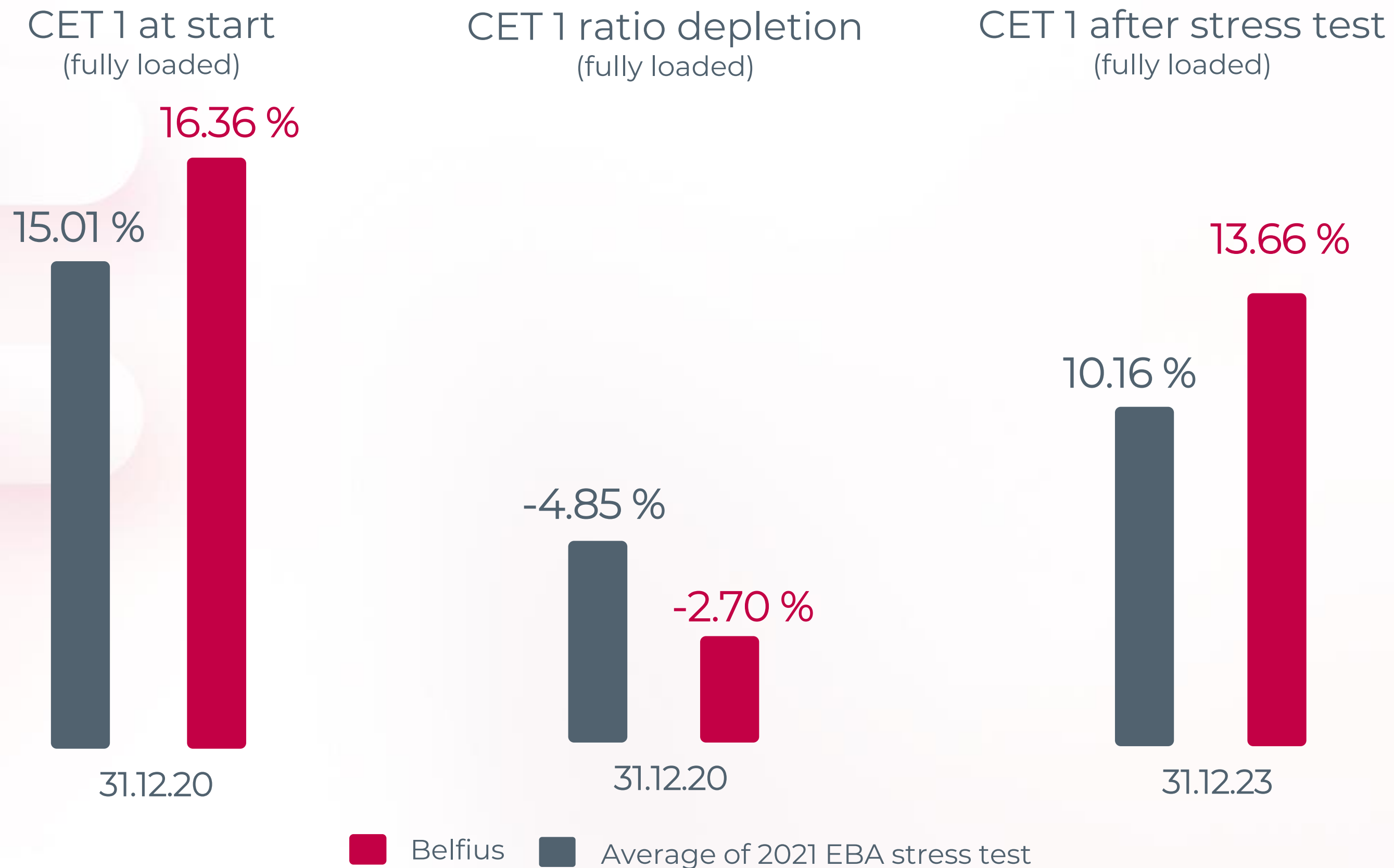


CET 1 after stress test
(fully loaded)

13.66 %

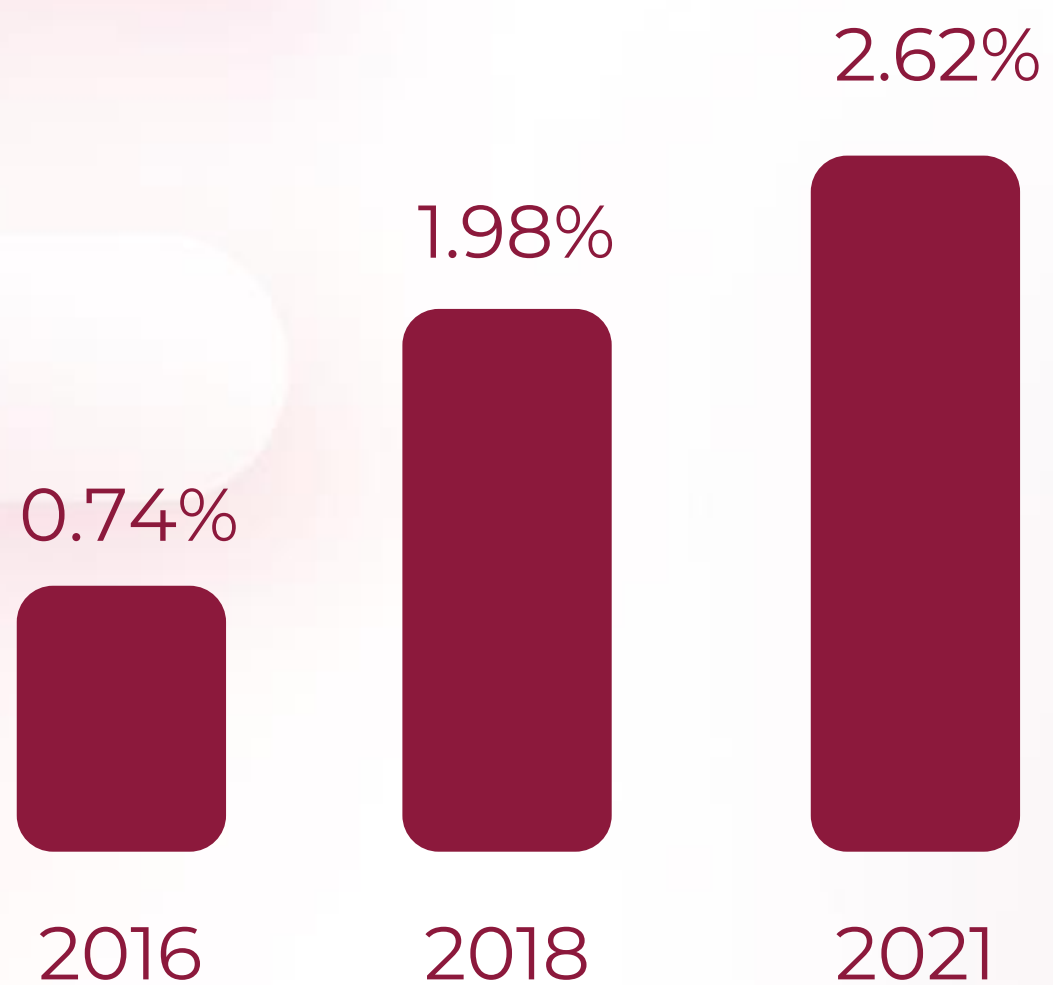
31.12.23

Belfius among the strongest banks in stress test

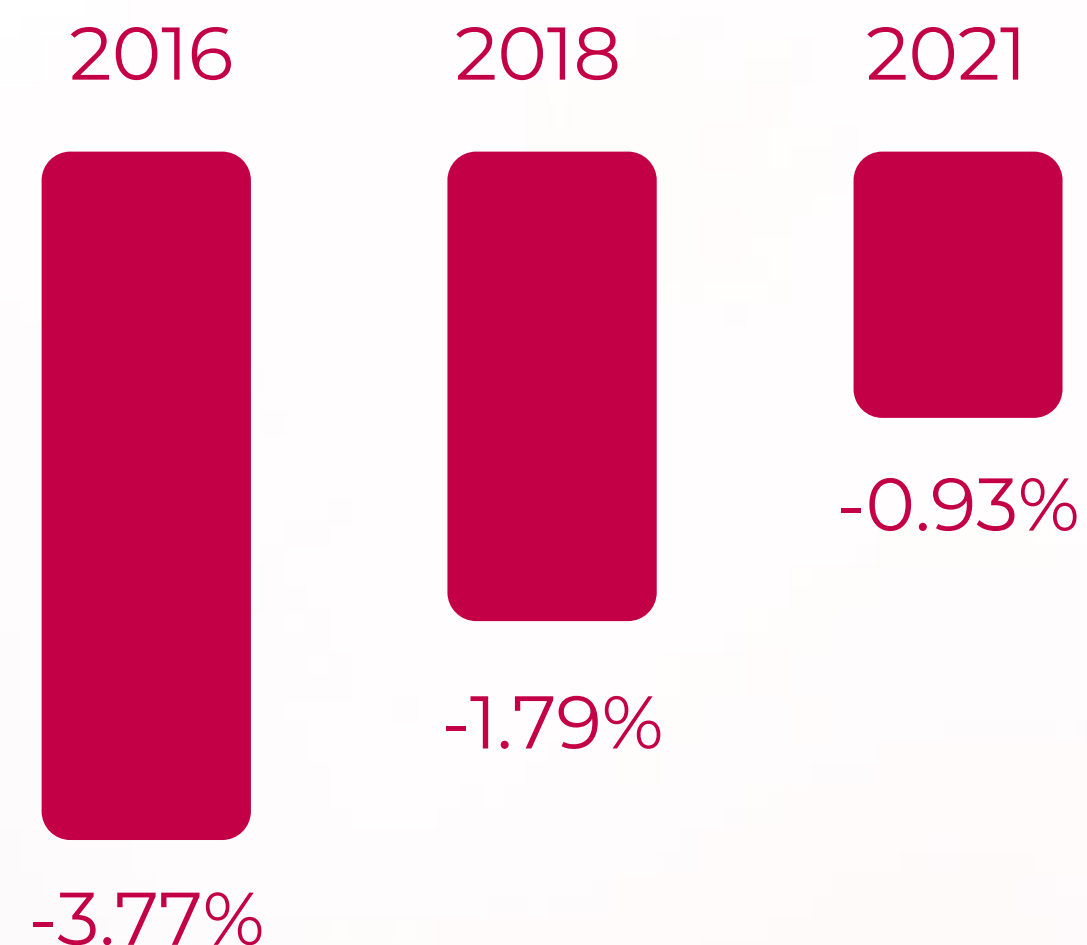


The excellent resilience is the result of a relevant strategy, namely combining income diversification and sound risk management

P&L contribution to CET 1 ratio
in the adverse scenario



Market risk contribution to CET 1 ratio
in the adverse scenario (P&L and capital)



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Sustainability is in our DNA since origin...

Generate positive impact on society

180.000

social accounts, part of a unique
& dedicated offer to support the
more vulnerable in society

#1

in financing of
municipalities, cities,
hospitals & care sector

> 4 m€

Philanthropic Funds in
succession planning

Promote renewable energy

Only

Belgian bank-insurer involved
in financing of all 8 offshore
wind farms in Belgium

1,65 bn€

financing for
renewable energy
since 2005

3 million

families having green
energy thanks to
Belfius loans

Operate in an authentic & engaged way

33,8%

women in top
management

Gender equality

in terms of
equal pay

Remote work

Front runner in remote work,
improving work-life balance &
avoiding CO2 from commuting

And continues to colour the characteristics of our business strategy

Funds of the future

Enable meaningful
investing

Align with Sustainable
Development Goals

>1,2 m€ transferred
to good causes

Re=Bel

Make investing, with a
cause, accessible to all

Fully embed the Transition
Acceleration Policy¹

Create transparency &
awareness on ESG impact

Beats

Introduce an innovative
joint bank/telco offer

Contribute to
Belgian society...

...via societal themes
health, people, planet

CO₂ Impact Loan

A joint offer with Belgian
partner CO2Logic

Accompany & encourage
clients in their transition...

...via consulting & financing
for CO₂ reduction projects

Green bond

First emission
in June 2021

500 m€ funding
allocated to green assets

ICMA compliant
green bond framework

Banx

Create a new, fully digital
& sustainable experience

Introduce
#slowbanking

Promote sustainable behavior via
insights (CO₂ dashboard) &
rewards

¹: Transition Acceleration Policy is Belfius' policy on controversial' or 'sensitive' sectors. It is applied to all Belfius' activities, with a double objective to both encourage and support economic actors in their shift towards more sustainable activities, and to reduce negative impact of our own activities

Belfius implements this deeply rooted ESG in its own way

Walk the talk

Do what we say, to limit our own
negative impact and be credible
in front of our customers

In own operations & logistics

In own HR & reward policies

In own investments

Put the customer in the driver's seat

Advice and guide our customers
in tackling societal challenges to
accelerate the sustainable transition

An active ESG dialogue & advice

Distinctive solutions to accompany
our customers in their transition

Conclusion

Solid and diversified Belgian bank-insurance business model

With a very clear strategic focus on **sustainability embedded in all key initiatives**

Driving strong **commercial dynamics** and **excellent 1H 2021 result of 406 m€** in an improving economic context

Very **resilient balance sheet** with NAV at 10.6 bn€ and a **16.16% CET 1-ratio**

Recent floods outside scope of 1H 2021

- Gross claim currently estimated at 100m€
- **Net financial impact** after reinsurance of **approximately 35 m€**



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Together



Q & A

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