

Belfius FY 2022 Analyst Conference

Meaningful & inspiring for Belgian society. Together.

3 March 2023



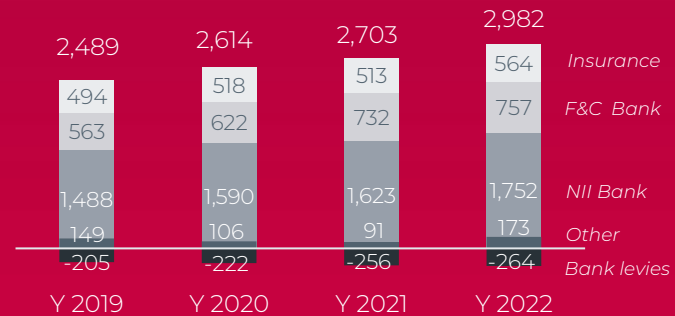
There is
love
For everyone

Belfius' net income 2022 stands at 975m€. Demonstrating Belfius' capacity to continue to transform our purpose into strong commercial dynamics and into resilient financial and risk profile, despite overall challenging geopolitical, macroeconomic and inflationary context.

Net income (m€)



Income dynamics (m€)





Loans

X sell

S&I

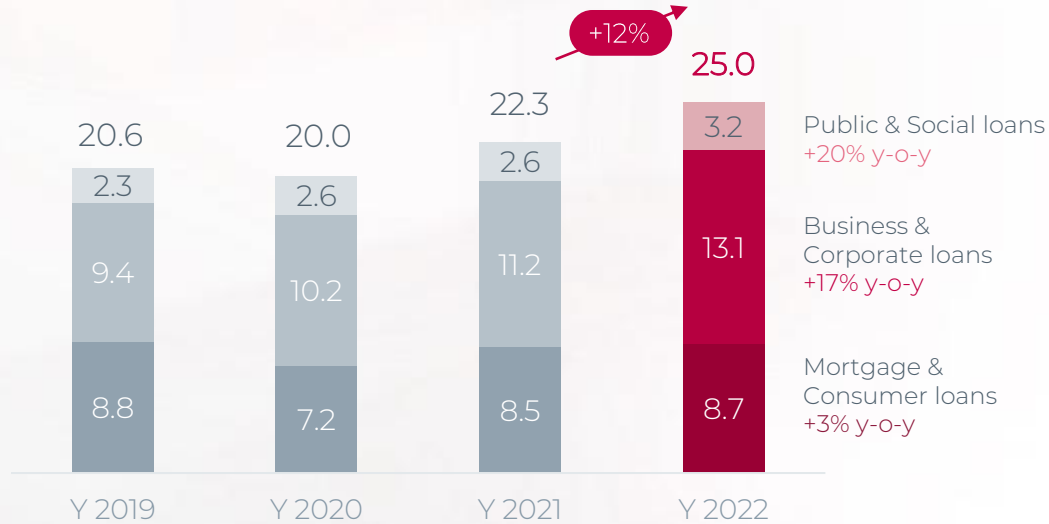
Insurance

Eleven years of consistent strategy enable Belfius to live up to its purpose of being “Meaningful and Inspiring for Belgian society”: a strategy that continues to deliver strong commercial dynamics

Continued growth in all segments of the Belgian economy



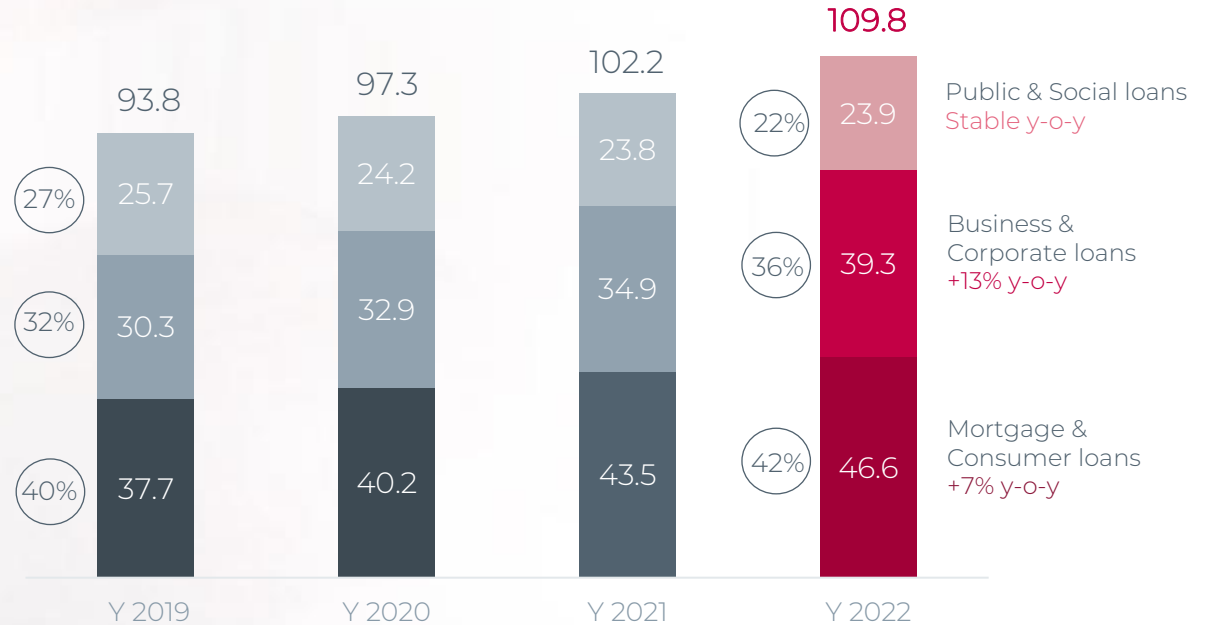
LT loan production (bn€)





A well balanced asset profile of a bank for all segments of the Belgian economy

Outstanding commercial loans (bn€)

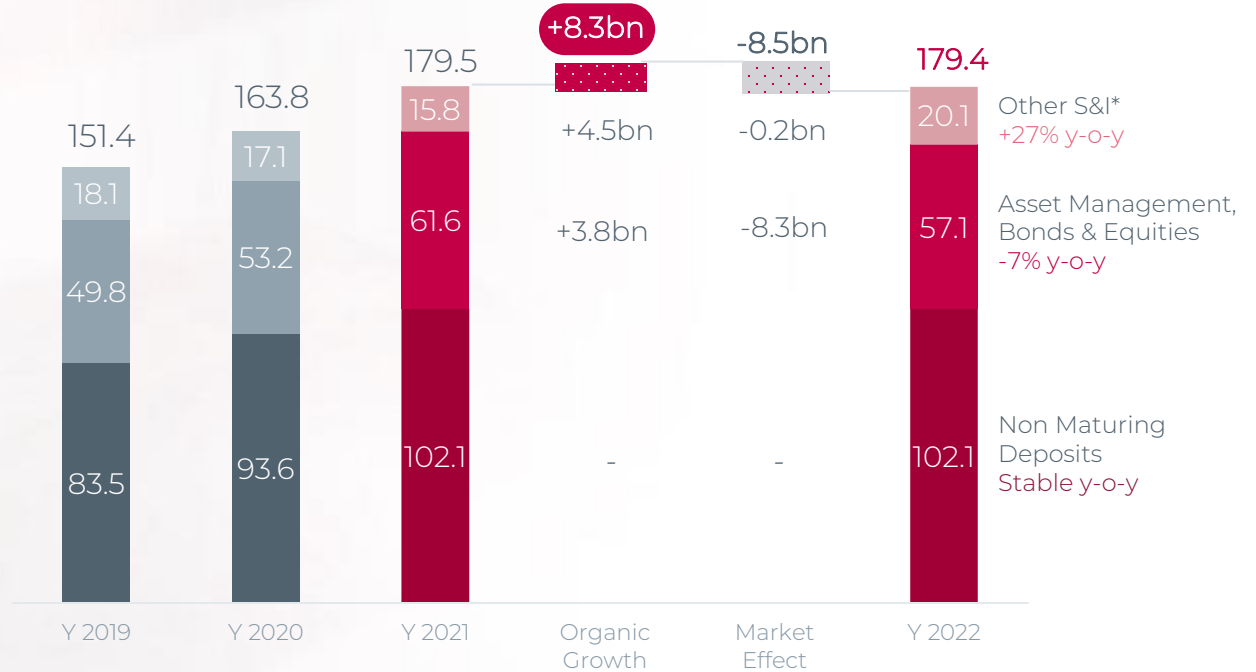


Note: () of total portfolio per Y 2019 and Y 2022



Stable S&I despite material negative market effect, result of resiliently strong organic growth of +8.3bn€

Evolution S&I (bn€)



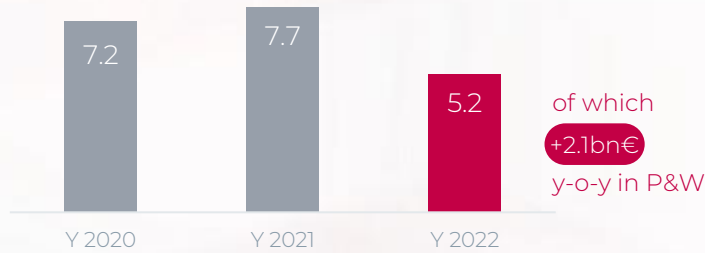
* Other S&I consisting of Branch 21, third party products, saving certificates & term deposits.



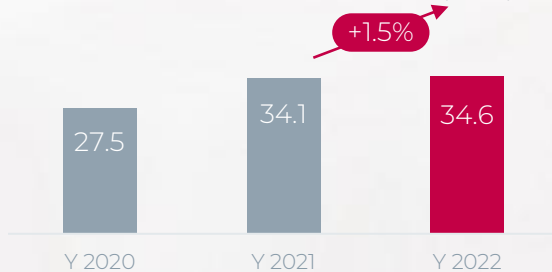
Strong organic growth in private and wealth, a key development area of Belfius, leading to resilient AM Services dynamics



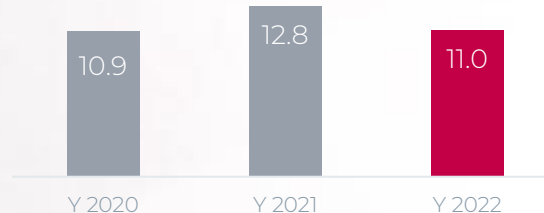
Organic growth S&I
IND & Business (bn€)



Average outstanding
AM services IND & Business (bn€)



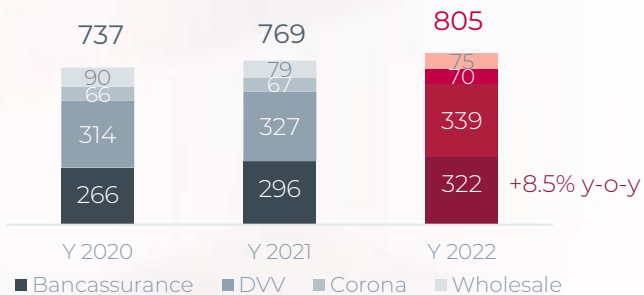
Gross production
AM services IND & Business (bn€)



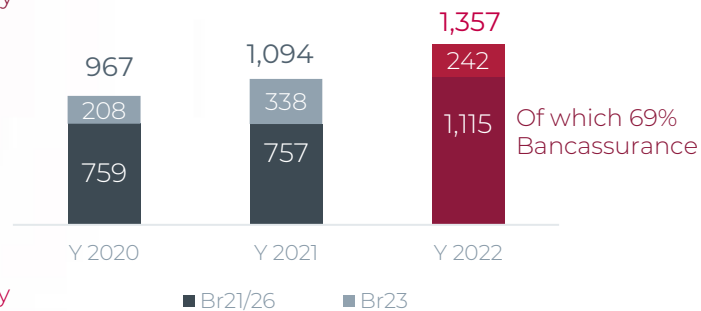


Continued strong insurance dynamics, both in Life (revival of Br21) and in Non-Life, mainly through the Bancassurance channel

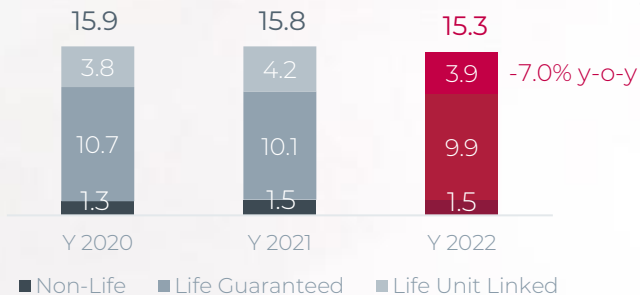
Non-Life GWP per channel (m€)



Life GWP per product type (m€)



Insurance reserves per type (bn€)



Belfius continues to deepen its customer relationships



X sell Mortgages

Credit linked

2021	2022
129%	131%

Home Insurance

2021	2022
84%	88%

Equipment rate IND

3.14 products per
customer

14 deals ECM

Total transaction
value 1.9 bn€

46 deals DCM

Leadership
position
in Belgium

8.1 bn€

Alternative
financing to
276k customers
(E&E&P)



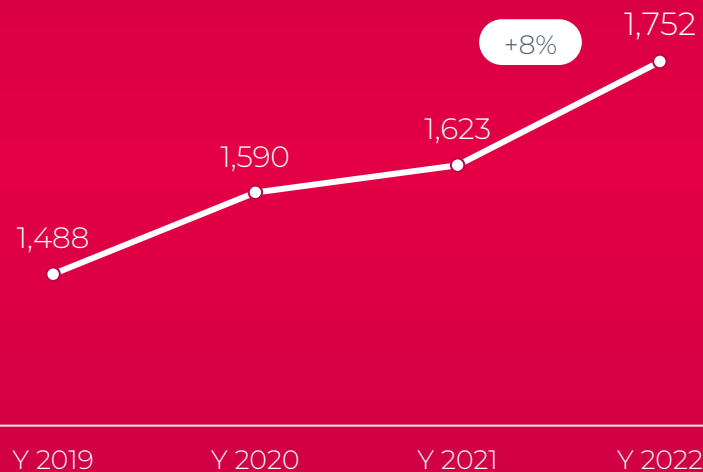
Belfius continues to transform strong commercial dynamics in sustainably solid financial & risk profile



Income

Growing Net Interest Income thanks to strong commercial dynamics & sound ALM management

NII Bank (m€)

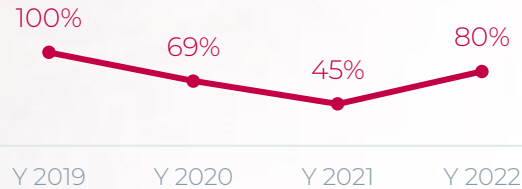


Continued strict risk-based pricing discipline and strong margin improvement on NMD

Average BOR margin on loans stock - index



Average BOR margin on NMD Individuals & Business - index

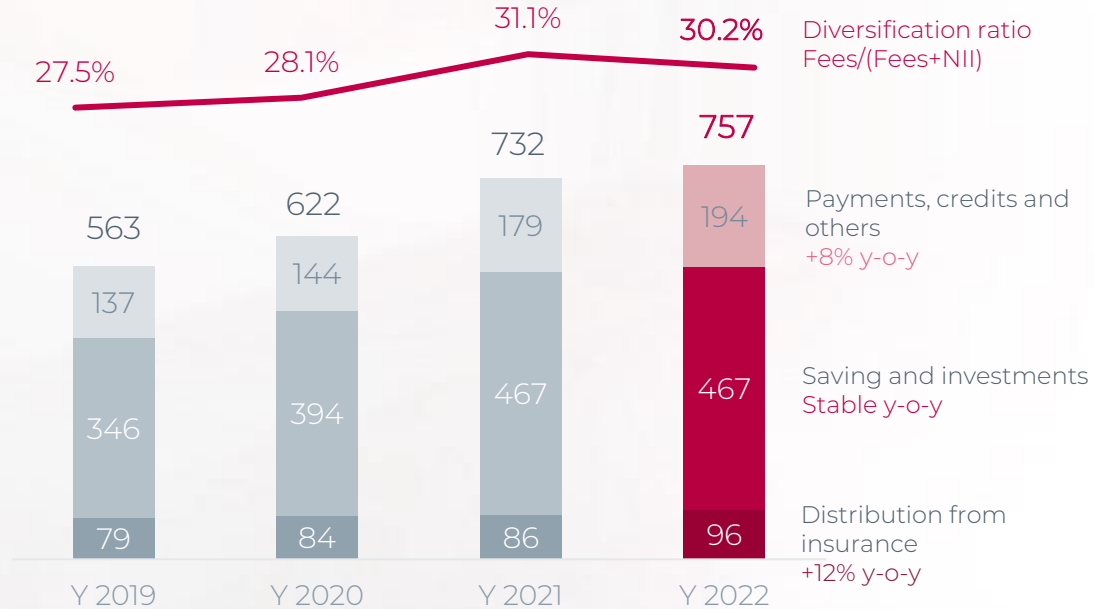


Income



Excellent resilience of net fee & commission income

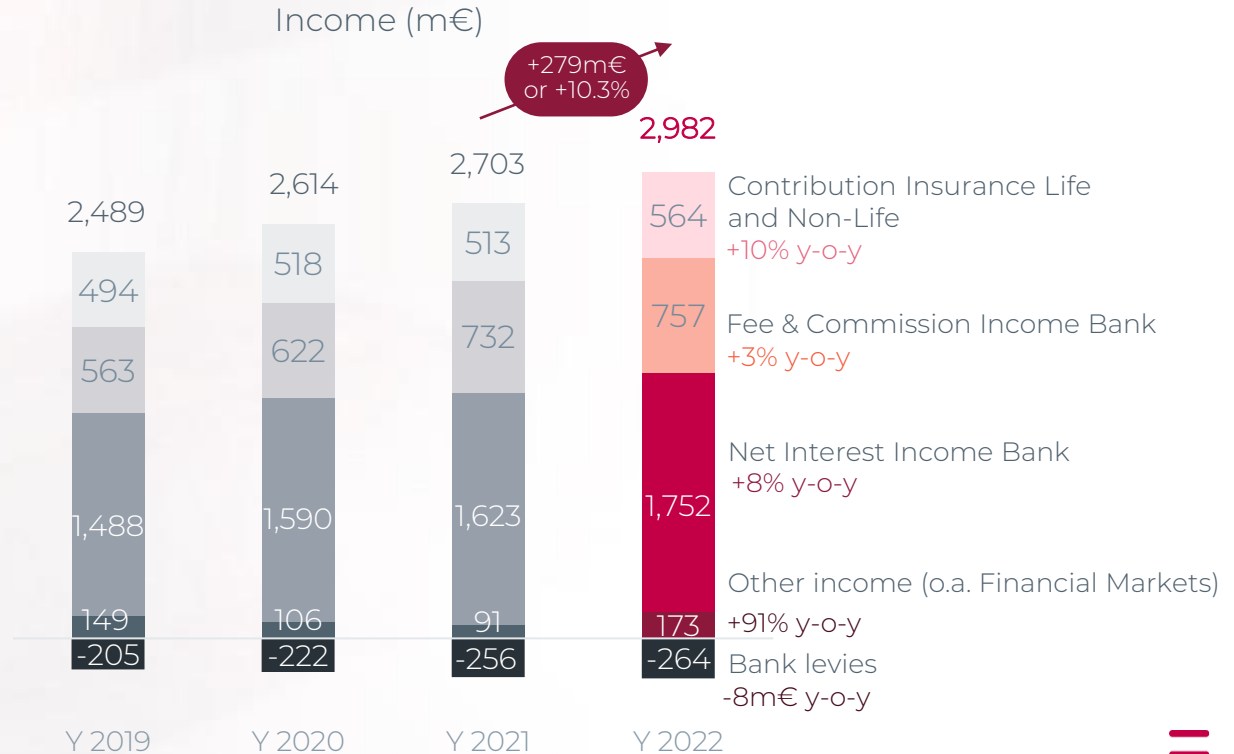
F&C income,
despite market turmoil (bn€)



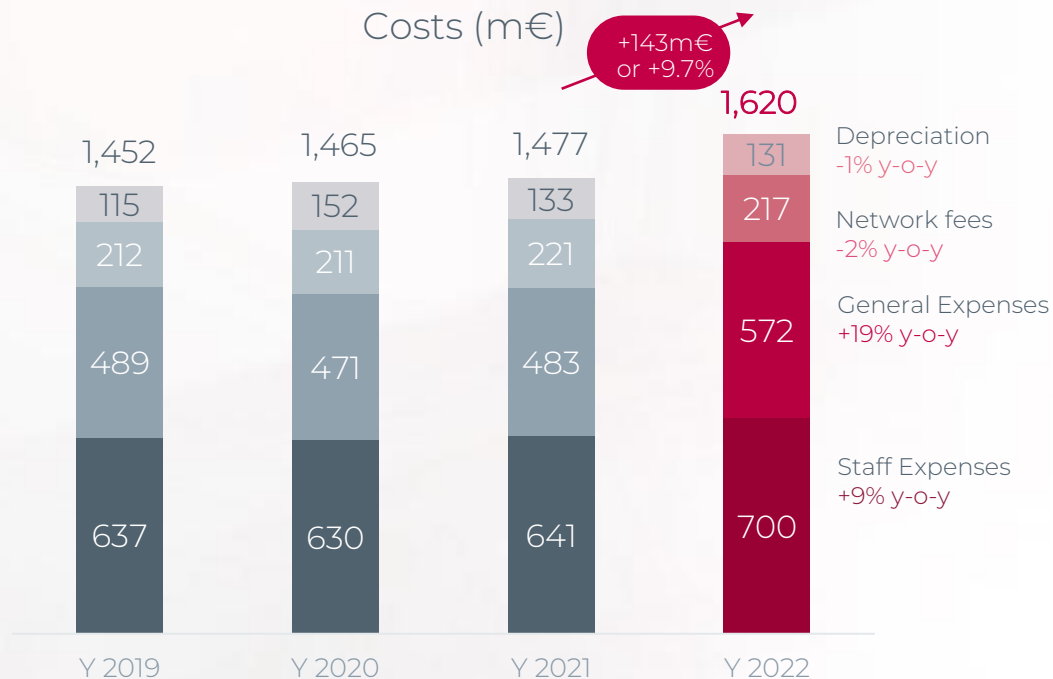
Income



Solid income contribution from all dimensions of our strategy



Increasing costs in line with strong commercial dynamics, supported by continued investments in brand, digital and workforce, next to inflationary pressures



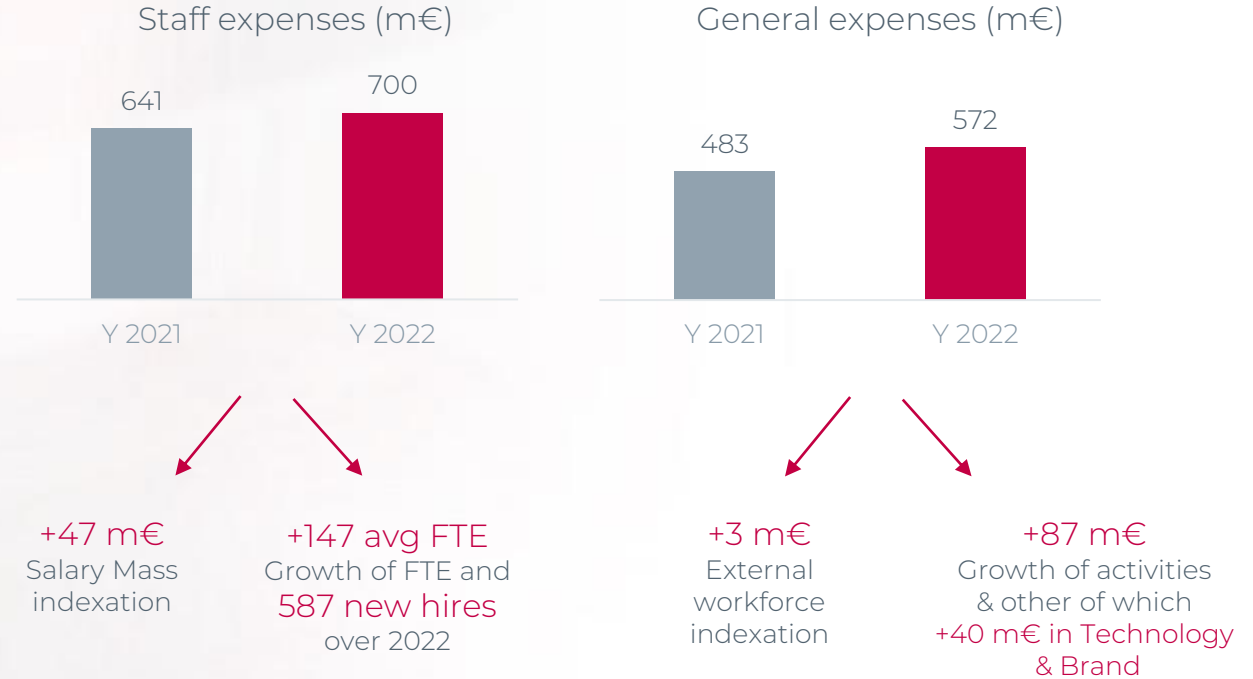
Higher workforce expenses

Extra push in Brand Campaigns

Continued investments in data & digital

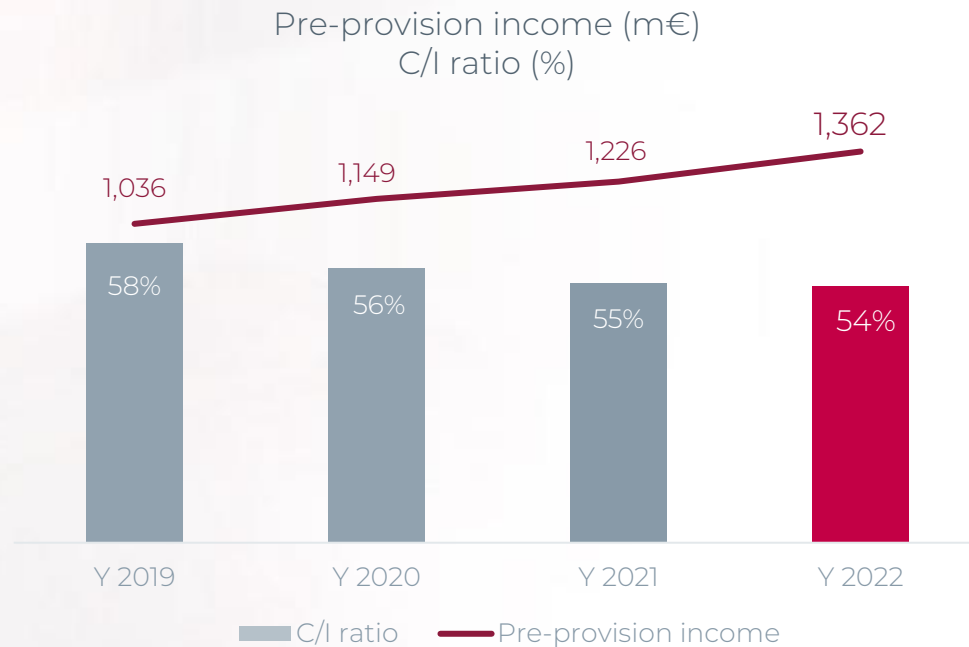


Combined effect of investing alongside strong commercial growth and inflationary pressures





Despite challenging context, Belfius remains scalable towards the future, with continued growing pre-provision income and a resilient Cost/Income ratio



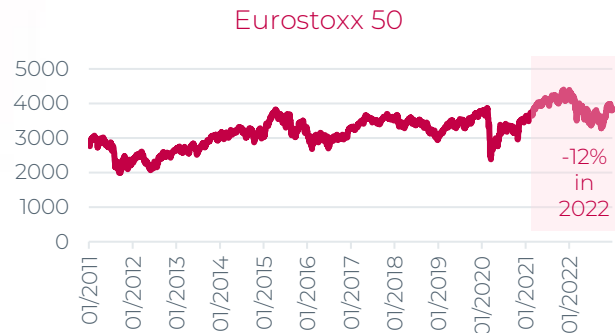
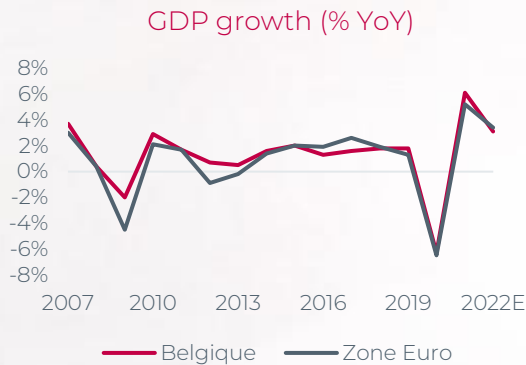
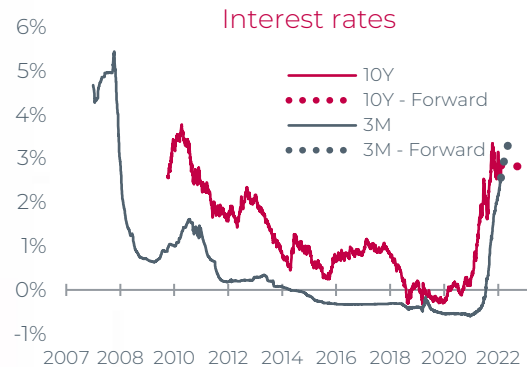
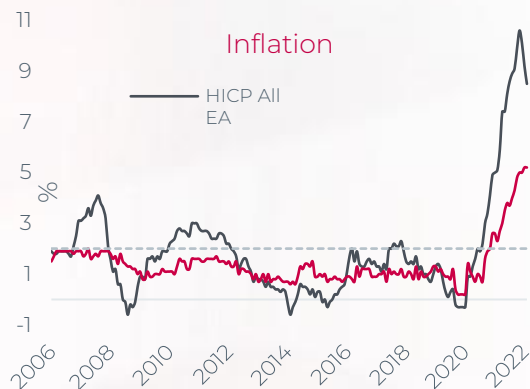


Belfius continues to transform strong commercial dynamics in sustainably solid financial & risk profile

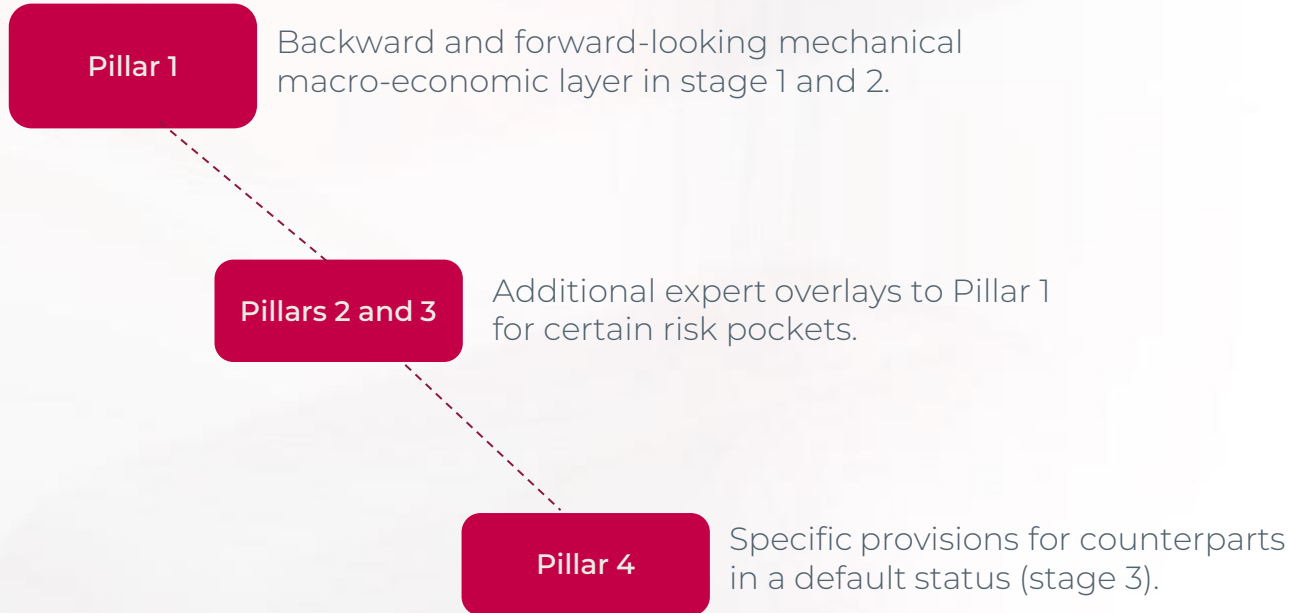




2022 was marked by a paradigm shift, well anticipated by Belfius



Belfius continues its waterfall principal in expected credit losses (ECL)

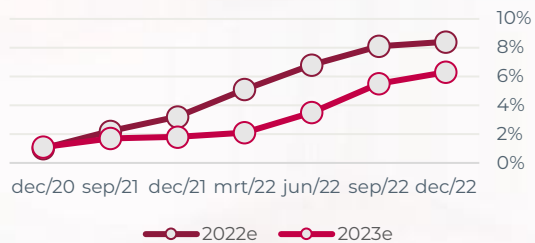




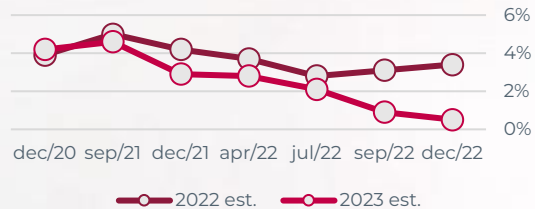
More material uncertainties, translated in adjustments of the macroeconomic part of the anticipative provisioning

Pillar 1

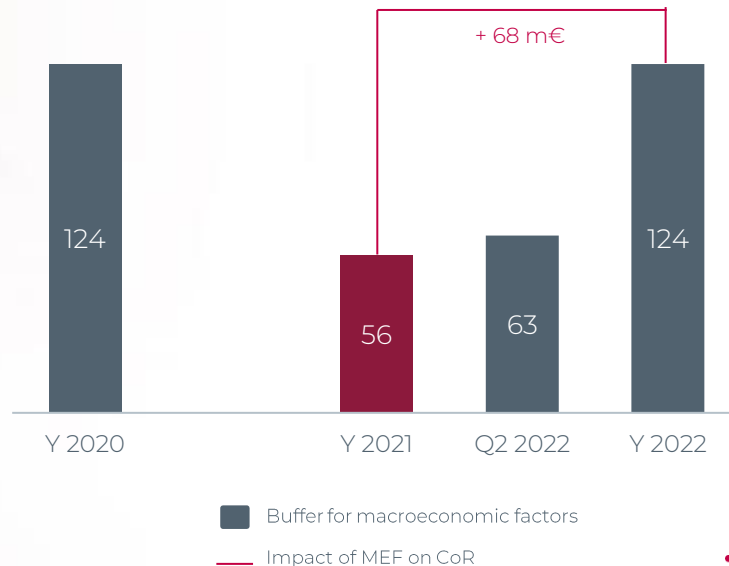
Revision of y-o-y (headline) inflation



Revision of y-o-y GDP growth



Anticipative provisioning related to macroeconomic factors (MEF) (m€)



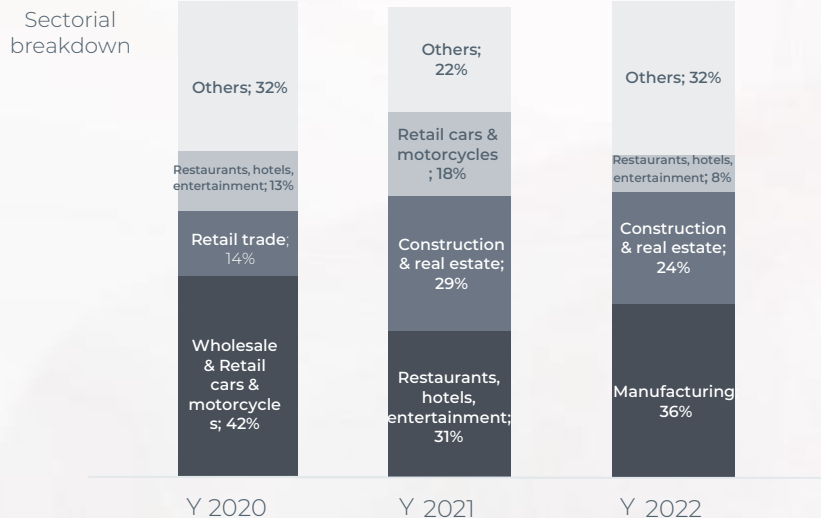
Anticipative provisions for vulnerable sectors have been revised to adapt to the changing nature of the crisis

Pillars 2 & 3

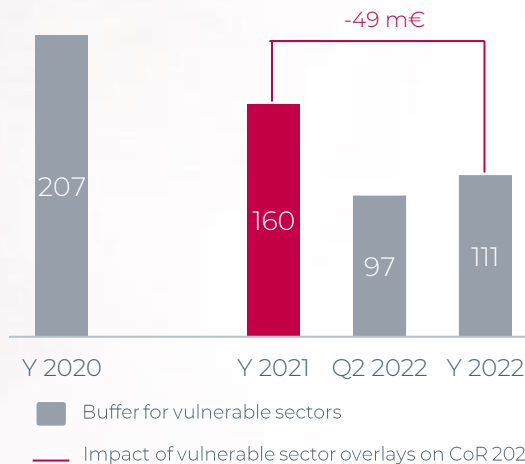


Sectorial top 3 of provisioning for vulnerable sectors

Exposures in scope	9.8 bn€	4.7 bn€	6.6 bn€
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Anticipative provisioning for vulnerable sectors (m€)

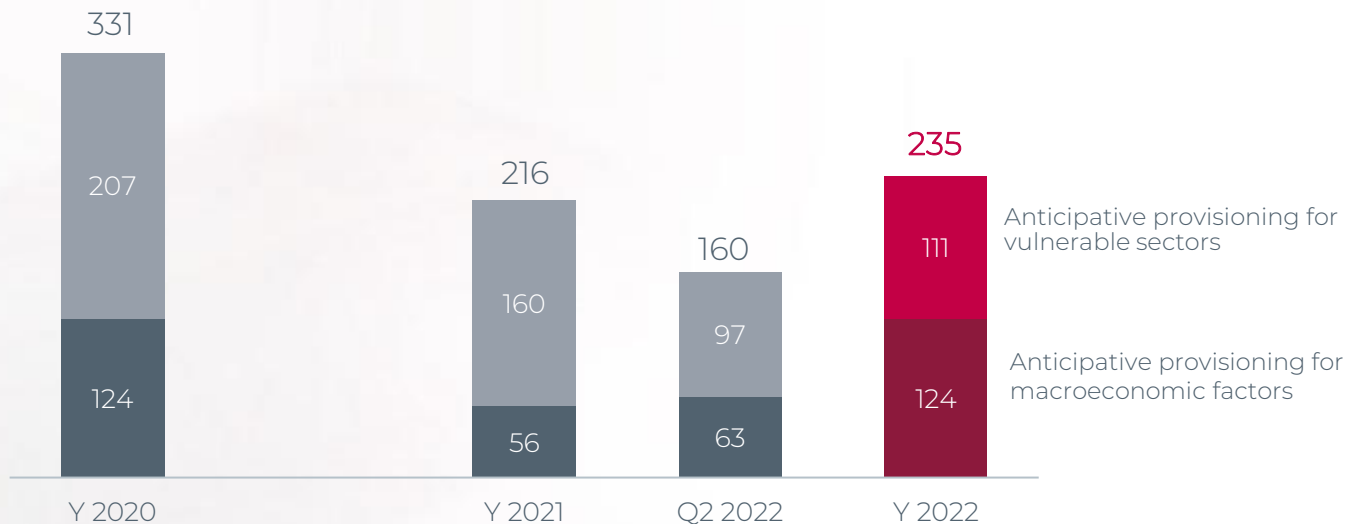




Summary overview of the Overlay for economic uncertainties

Pillars 1, 2 & 3

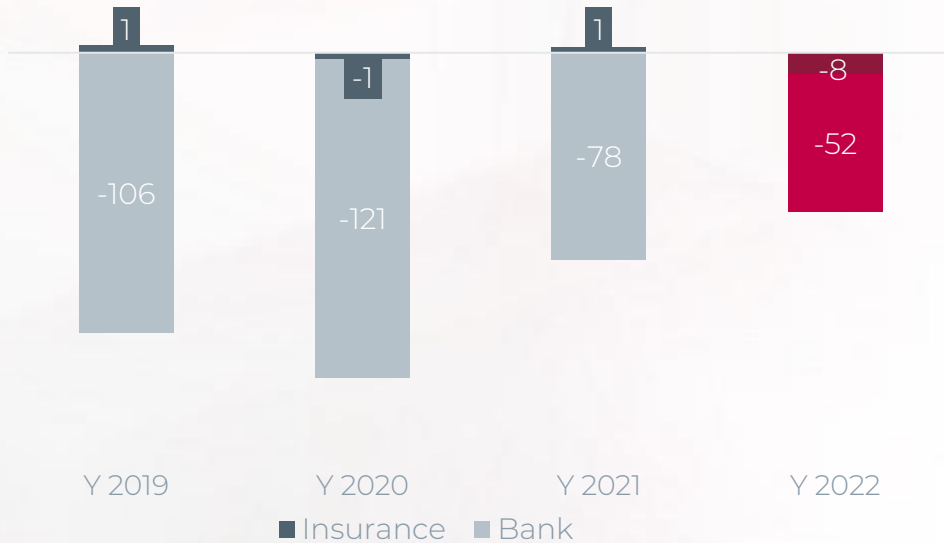
Evolution of anticipative provisioning (m€)



Stage 3 provisioning remains low on historical terms

Pillar 4

Stage 3 for defaulted exposures (m€)

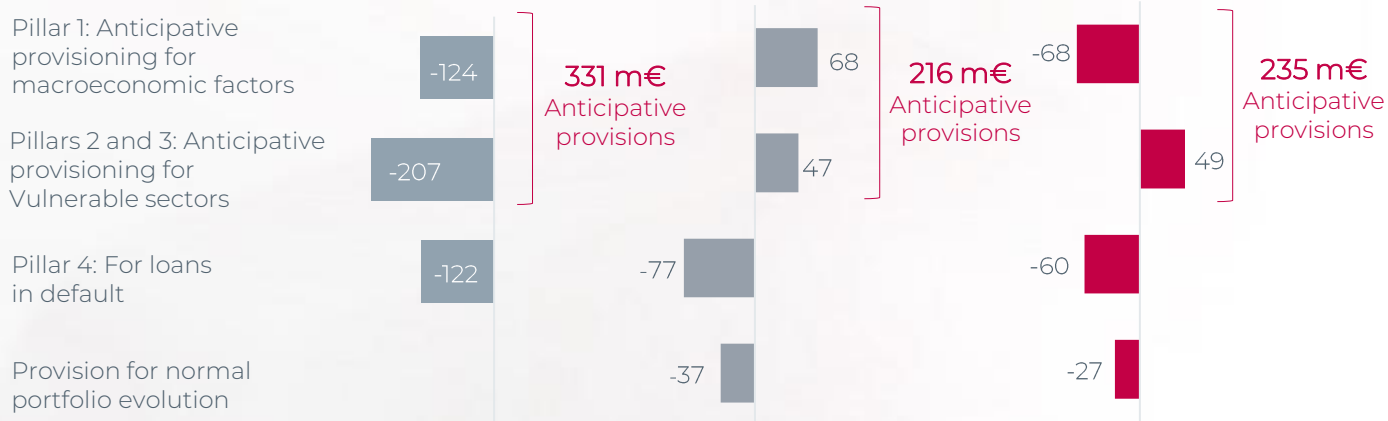


Combining the 4 pillars with normal CoR on portfolio evolutions, results in a cost of risk of 106 m€ in 2022



	Y 2020	Y 2021	Y 2022
Total Cost of Risk	-453 m€	+1 m€	-106 m€

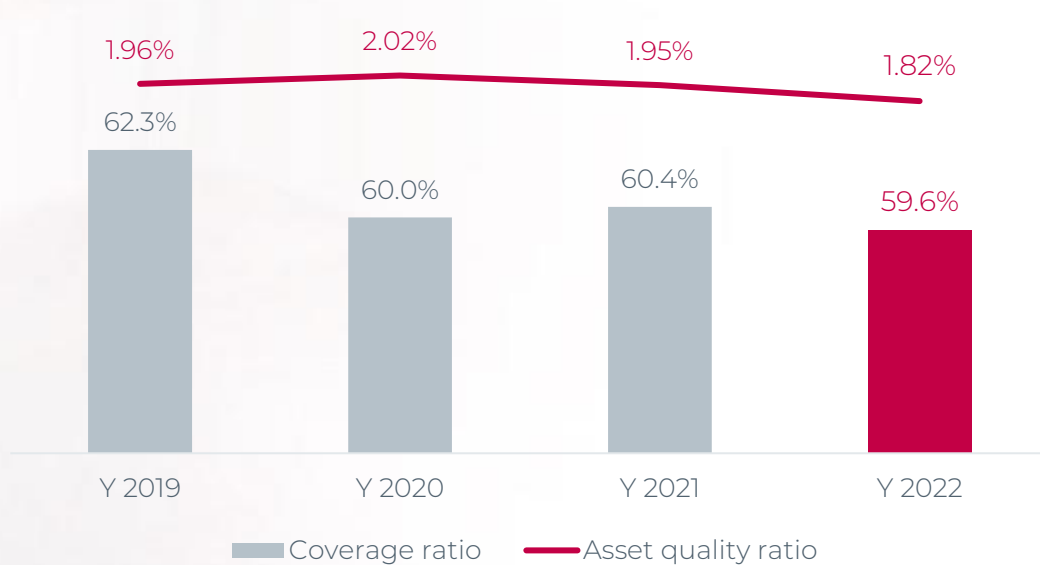
Components





Belfius' loan portfolio continues to display solid asset quality, combined with sound provisioning

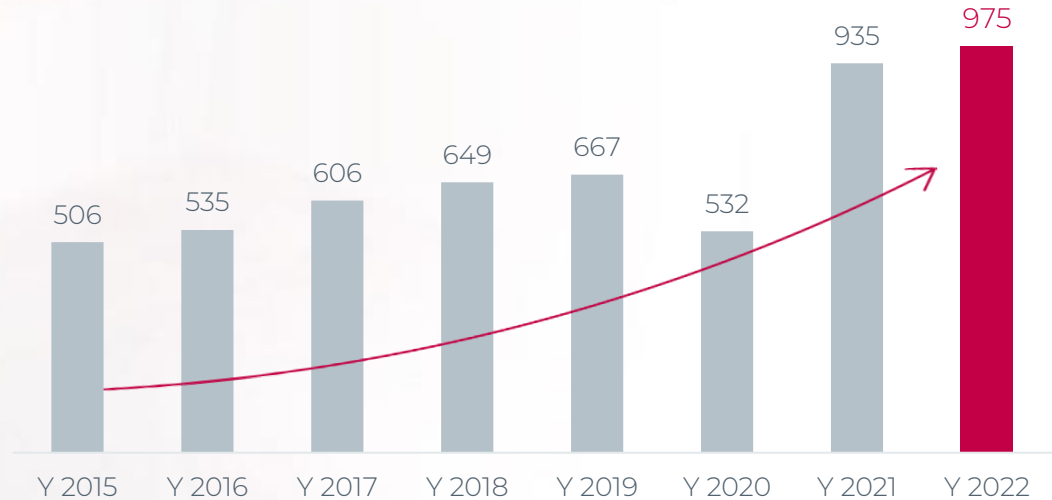
Sound asset quality (%)



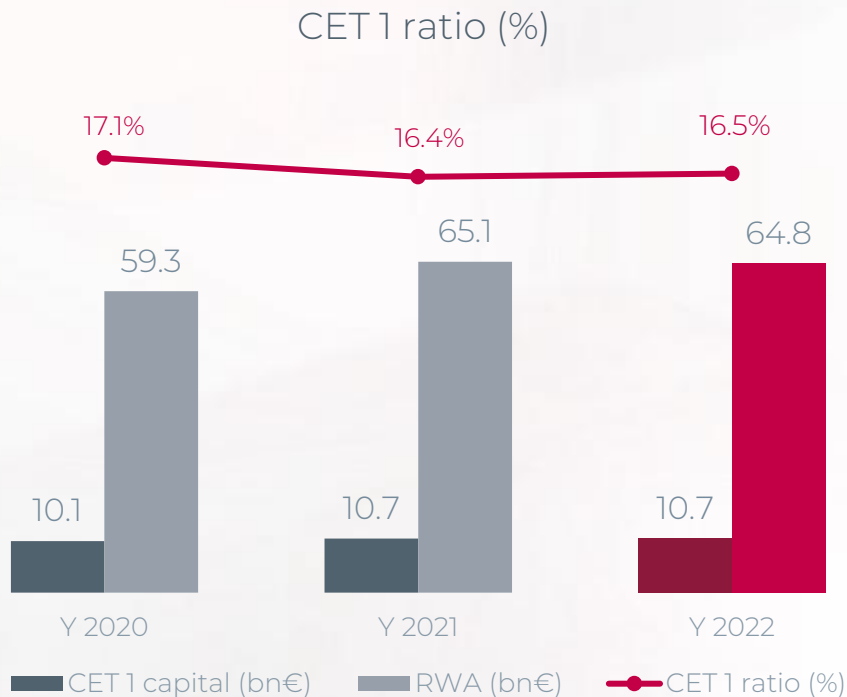


A first key dimension of Belfius' solidity:
Growing our profit capacity to 1 bn€

Net income (m€)



The second key dimension of Belfius' solidity:
 Belfius is able to strongly grow its franchise, in challenging context, and combine this with continued solid solvency



MREL¹ of 28.4%

Min. SREP 10.05%²

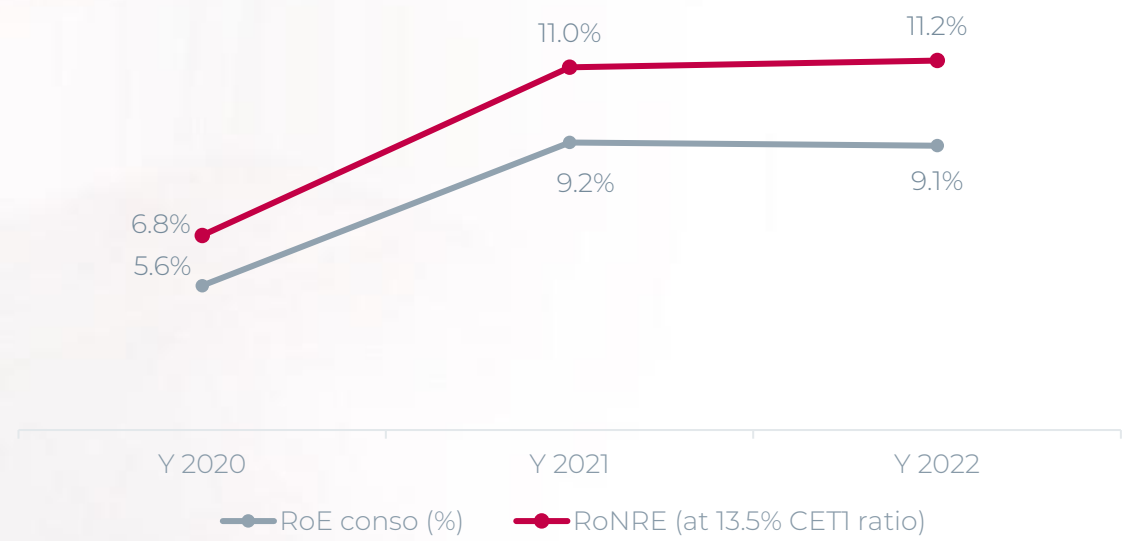
Belins SII ratio of 193%³

1. MREL/RWA, min. MREL of 27.58%
 2. For reference: Min. SREP FY 2021 9.64%
 3. SII ratio after dividend



A third key dimension of Belfius' solidity:
Belfius achieved its ambition, in low interest rate environment,
to bring RoE resp. RoNRE to 8-9% resp. >10% level

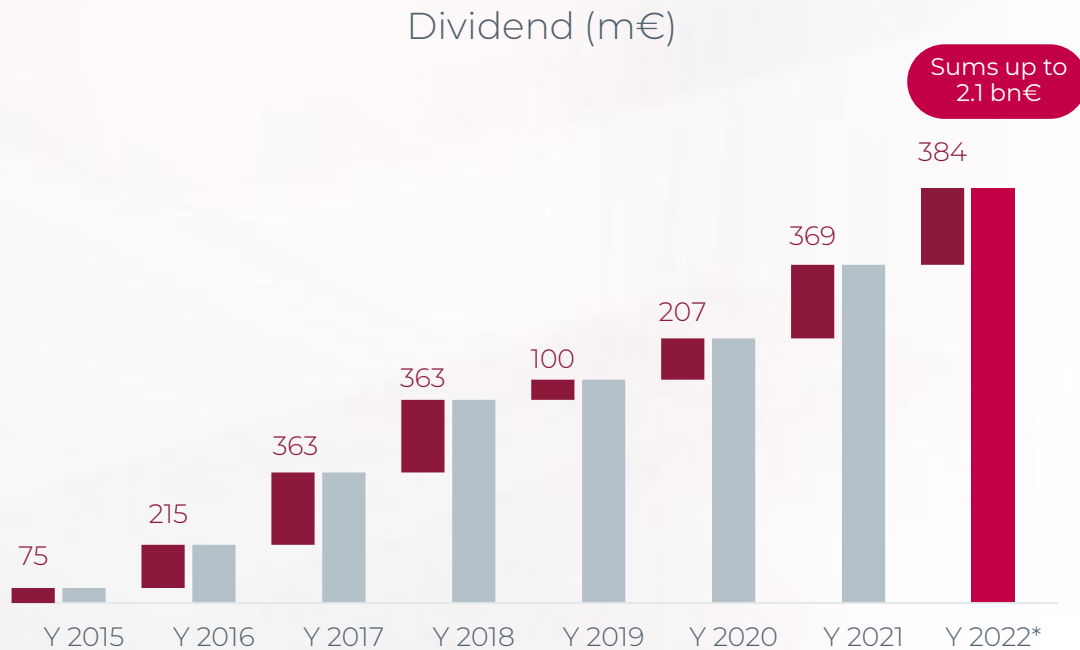
RoE conso and RoNRE* (%)



* RoNRE definition (13.5% RWA) = last 4 quarters Net Income / last 5 quarters rolling average RWA*13.5%; RoE definiton = sum of the net result of the last 4 quarters divided by the 4 quarter rolling average of the Shareholders Equity



A fourth key dimension of Belfius' solidity:
Belfius' sustained dividend capacity



Thank you

Q&A

by chat

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