Belfius 2012 Results

Presentation to analysts and investors

March 2013

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Highlights

- **Successful rebranding** with excellent brand recognition results
- **Resilient franchise and results** in all commercial business lines
- **Net profit of EUR 415 m in 2012** (EUR 277 m excluding one-off items)
- **Strong improvement** (+157 bps compared to end 2011) **of Core Tier 1 ratio (13.3%), and this under substantial tactical derisking effort :**
  - Massive decrease of financial exposure to the Dexia-Group (remainder secured)
  - Important reduction of Investment Portfolio, mainly in GIPS govies
- **Sound liquidity profile further improved, also diversification-wise**
  - Further increase of commercial and institutional funding
  - Successful issuance of Belgian covered bonds
  - Full respect of NBB liquidity regulation
- **Belfius' case approved by the European Commission**

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Successful name change

Rebranding in time and with excellent results

Road map

- Central and regional offices, branches, operational documents, online platforms, payment cards …have been successfully rebranded
- Network:
  - Rebranding of all branches finalised by May 2013
- Publications:
  - All documents rebranded by April 2013

Results

- At the end of 2012, assisted brand awareness exceeded 90% (level of other bank brands in Belgium)
- Significant development of social media channels (+28,500 fans on Facebook, ~3,000 followers on LinkedIn and Twitter, ~305,000 views on YouTube)

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Resilient commercial activities

Overview

Retail Banking	Private Banking	Business Banking turnover < € 10 m	Public Banking & Social Profit	Corporate banking
Top 3 bank in Retail Banking **~ 3.8 m clients**	**Top-tier Bank** in Private Banking **~ 53 k clients**	**#4 Bank** in Business Banking **~ 193 k clients**	**Market leader** in local, regional and federal authorities, health, accommodation and education **~ 10,000 clients**	**Challenger position** among companies with turnover > EUR 10 m **~ 5,300 clients**

- **EUR 91.7 bn client investments**, including
  - EUR 61.9 bn deposits
  - EUR 11.0 bn life insurance (Branch 21, 23 & 26)
  - EUR 18.8 bn other off-balance-sheet products (investment funds and other)
- **EUR 33.4 bn loans***, incl. 63% mortgages loans and 29% business loans

- **EUR 28.1 bn client investments**, including
  - EUR 19.9 bn deposits
  - EUR 8.2 bn off-balance sheet investments
- **EUR 63.1 bn commitments**, including
  - EUR 43.6 bn balance-sheet commitments
  - EUR 19.5 bn off balance sheet commitments

(*) Excluding mortgage loans Elantis, on the B/S of Belfius Insurance since 3Q 2012

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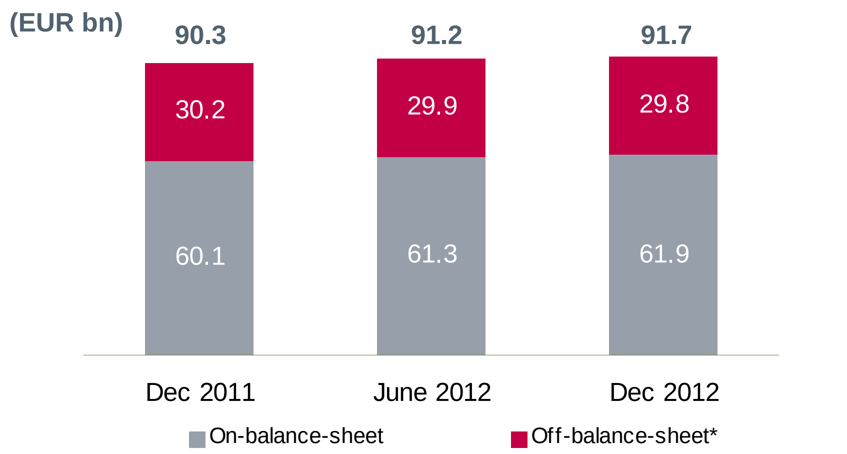
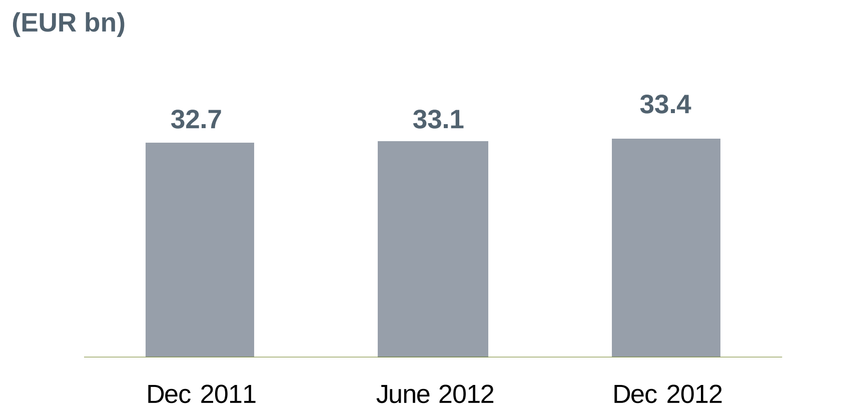
Resilient commercial activities

Retail and Commercial Banking

Outstanding customer investments



Outstanding customer loans (**)



- Funding
  - Total customer investments grew by EUR 1.4 bn over 2012
  - On-balance sheet products increased by EUR 1.8 bn, with an important growth in savings accounts
  - Off-balance sheet products decreased by EUR 0.4 bn, mainly on mutual funds
- Loans
  - Growth in outstanding of customer loans, supported by mortgage loans and business loans

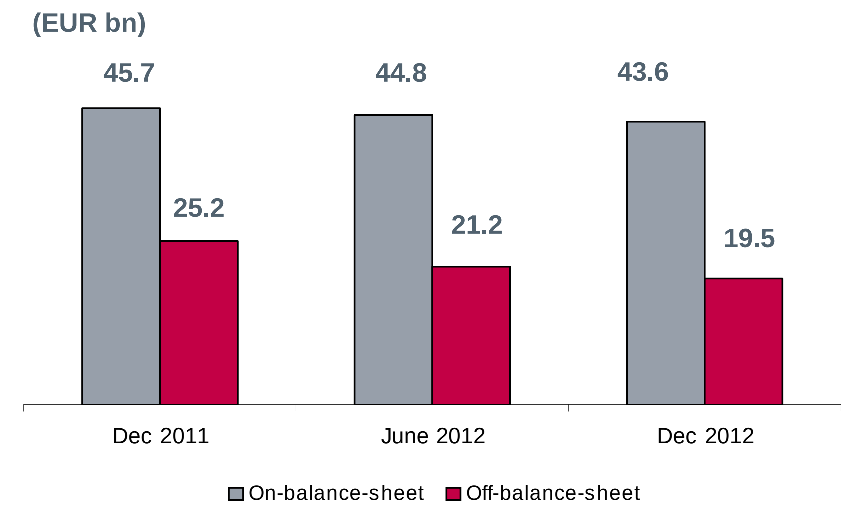
* Includes life insurance reserves ** Excluding mortgage loans Elantis

Resilient commercial activities

Public and Wholesale Banking

Outstanding deposits

Outstanding on & off balance sheet commitments



- Funding
  - Strong recovery since separation from Dexia
  - Deposits increased by 16% in 2012
- Commitments
  - On B/S commitments in public and social profit segment remained flat, while outstandings in Corporate Banking decreased due to lower demand
  - O/B commitments decreased after pro-active clean-up of - for client and bank - non valuable (unused) off B/S commitments

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Resilient commercial activities

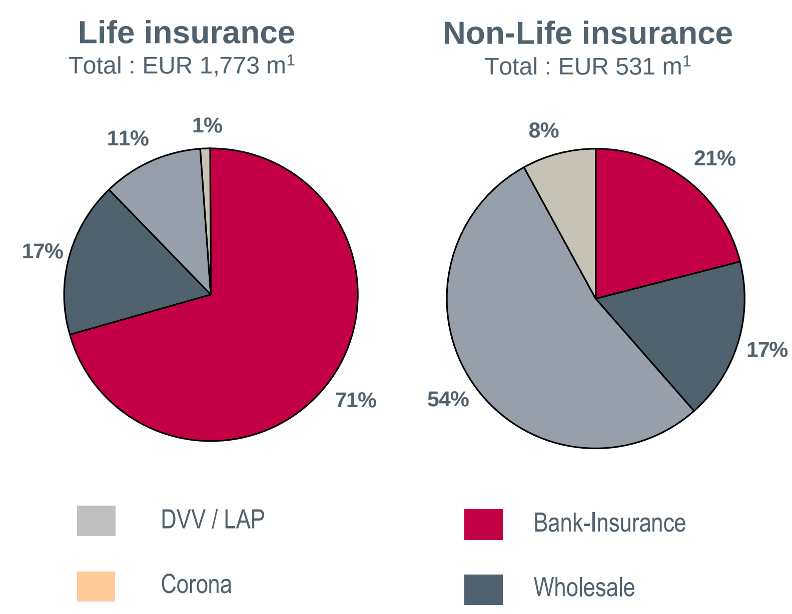
Insurance

Multi-channel distribution strategy

Belgium				Luxembourg
Bank-insurance		DVV	Corona Direct	IWI[2]
RCB	Wholesale			
RCB network in Belgium	Distribution in the public finance, social profit and corporate market	203 exclusive independent agents 334 POS	Internet / Direct Affinity deals	RCB Network in Luxemburg
Premiums: **EUR 1,363 m[1]** *92% Life* *8% Non-life*	Premiums: **EUR 398 m[1]** *77% Life* *23% Non-life*	Premiums: **EUR 480 m[1]** *41% Life* *59% Non-life*	Premiums: **EUR 63 m[1]** *31% Life* *69% Non-life*	Premiums: **EUR 180m[1]** *100% Life*

EUR 19.9 bn life reserves end 2012 vs EUR 19.1 bn end 2011

Premium breakdown by Belgian channel



- Life reserves
  - Significant increase (+ 4.5%) thanks to the launch of a new Branch 23 product; stable reserve in Branch 21
- Production Belgian distribution channels
  - Status quo in life insurance
  - Overall growth in non-life insurance (+ 4.3%), nothwithstanding a stricter acceptance policy and decreasing car sales

[1] *Premiums collected in 2012 – excluding distribution of third party insurance products*

[2] *IWI : International Wealth Insurer*

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Solid financials

Consolidated statement of income

(EUR m)	2011	2012	Evolution 2012 2011
Income	**66**	**2,458**	**n.s.**
Of which			
Net interest income	*2,209*	*2,123*	*-3.9%*
Net fee and commission income	*332*	*314*	*-5.4%*
Net income on investments	*-2,043*	*587*	*n.s.*
Technical margin on insurance activities	*-331*	*-576*	*-74.0%*
Other income	*-101*	*10*	*n.s.*
Expenses	**-1,610**	**-1,593**	**-1.1%**
Gross Operating Income	**-1,544**	**865**	**n.s.**
Cost of risk	-555	-268	-51.7%
Impairments on (in)tangible assets	-46	0	n.s.
Pre-Tax Income	**-2,416**	**597**	**n.s.**
Tax expenses	779	-180	n.s.
Net Income after taxes	**-1,367**	**417**	**n.s.**
Non-controlling interests	0	1	n.s.
Net Income Group Share	**-1,367**	**415**	**n.s.**

- Belfius Bank generated considerable profit, with net income group share of EUR 415 m (EUR 277 m without one-off items)
- 2012 income at EUR 2,458 m
  - Despite the low interest environment and a decreasing B/S, the interest income is relatively stable
  - Important one-off capital gains, partly used for tactical de-risking and provisioning of legacy
- Operating expenses well under control, even including provisions for restructuring costs
- Cost of risk of business-lines in line with expectations; high non recurring provisions for legacy items

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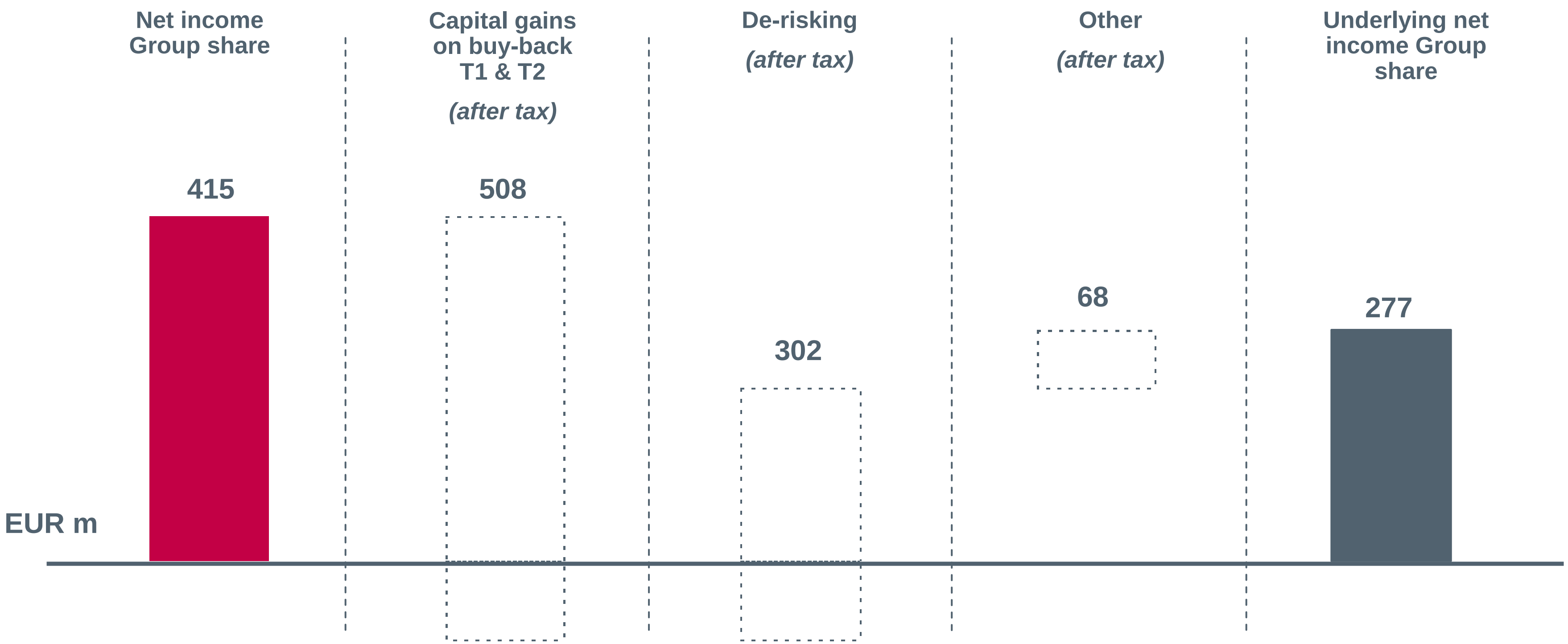
Solid financials

Focus on one-off items



- 2012 reported net income at EUR 415 m
- Profit from buy-backs T1 & T2 (EUR 508 m after tax), partly used for tactical de-risking
  - De-risking mostly in GIIPS and CEE sovereign bonds, both in bank and insurance: EUR -302 m net impact (EUR -213 m for the bank, EUR -89 m for the insurer)
  - "Other" (EUR -68 m net impact) comprises a.o. one-off provisions for restructuring costs and additional provisioning for legacy activities
- Excluding one-offs, 2012 underlying net income would have been EUR 277 m

Solid financials

Retail and Commercial Banking

(EUR m)	2H 2011	1H 2012	2H 2012	2012
Income	**645**	**650**	**664**	**1,314**
Expenses	**-524**	**-519**	**-501**	**-1,020**
Gross Operating Income	**121**	**131**	**163**	**294**
Cost of risk	-61	-27	-20	-47
Impairments on (in)tangible assets	-20	0	0	0
Pre-Tax Income	**40**	**104**	**143**	**247**
Tax expenses	-13	-34	-46	-80
Non-controlling interests	0	0	0	0
Net Income Group Share	**27**	**70**	**97**	**167**

- Compared to 2H 2011, income went up slightly
- Expenses are well under control
- Cost of risk and other impairments remained low, also thanks to collective provision reversals (please note: 2H 2011 was impacted by additional collective provisions and impairments on (in)tangible assets)
- As a result, 2012 net income amounted to EUR 167 m

* *Comparison 2H and 1H 2012 / 2H 2011 in order to show the evolution since the separation from Dexia (20 October 2011)*

Solid financials

Public and Wholesale Banking

(EUR m)	2H 2011	1H 2012	2H 2012	2012
Income	**196**	**194**	**187**	**381**
Expenses	**-98**	**-98**	**-96**	**-194**
Gross Operating Income	**98**	**96**	**91**	**187**
Cost of risk	-42	-8	-2	-10
Impairments on (in)tangible assets	0	0	0	0
Pre-Tax Income	**56**	**88**	**89**	**177**
Tax expenses	-17	-29	-30	-59
Non-controlling interests	0	0	0	0
Net Income Group Share	**39**	**59**	**59**	**118**

- Compared to 2H 2011, income decreased slightly
- Expenses are well under control
- Cost of risk and other impairments remained very low, also thanks to collective provision reversals (please note: 2H 2011 was impacted by additional collective provisions)
- As a result, 2012 net income amounted to EUR 118 m

* *Comparison 2H and 1H 2012 / 2H 2011 in order to show the evolution since the separation from Dexia (20 October 2011)*

Solid financials

Insurance

(EUR m)	2H 2011	1H 2012	2H 2012	2012
Income	**-489**	**131**	**139**	**270**
Expenses	**-96**	**-91**	**-87**	**-178**
Gross Operating Income	**-585**	**40**	**52**	**92**
Cost of risk	-28	-23	10	-13
Impairments on (in)tangible assets	0	0	0	0
Pre-Tax Income	**-613**	**17**	**62**	**79**
Tax expenses	187	5	-24	-19
Non-controlling interests	1	-1	-1	-1
Net Income Group Share	**-425**	**21**	**37**	**59**

- Income improving from 1H 2012, mainly thanks to better financial results (please note: 2H 2011 includes important one-offs, mainly impairment on Greek sovereign bonds, and 2012 income includes tactical de-risking losses)
- Costs were stable (to note: 2H 2011 costs included the brand name provision)
- Cost of risk was impacted by some specific provisions (a.o. on ABS and subordinated)
- As a result, 2012 net income amounted to EUR 59 m

* *Comparison 2H and 1H 2012 / 2H 2011 in order to show the evolution since the separation from Dexia (20 October 2011)*

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Solid financials

Consolidated balance sheet

(EUR m)	31/12/2011	31/12/2012	Evolution
Total assets	**232,509**	**212,947**	**-19,562**
Loans to banks and customers	*138,821*	*132,730*	*-6,091*
Portfolios	*50,413*	*36,681*	*-13,732*
Total liabilities	**229,234**	**207,588**	**-21,646**
Due to banks and customers	*129,680*	*107,089*	*-22,591*
Debt securities	*38,130*	*37,942*	*-188*
Total equity	**3,275**	**5,359**	**2,084**
Core shareholders' equity	*6,591*	*7,006*	*415*
OCI-reserves	*-3,331*	*-1,666*	*1,665*

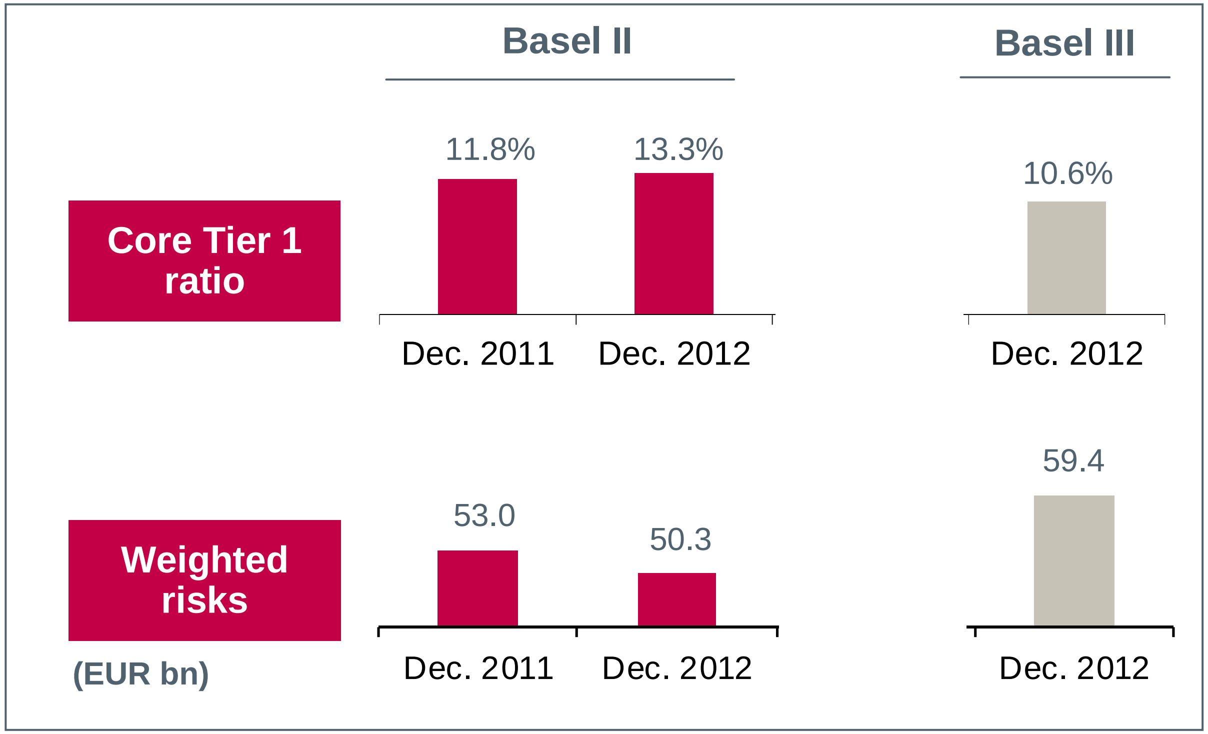
- The reduction of the assets with EUR 19.6 bn in 2012 is mainly due to
  - a sharp reduction of funding given to Dexia-entities
  - the derisking of the portfolio
- The reduction of the liabilities with EUR 21.6 bn in 2012 is mainly due to
  - the decreased funding from central banks and from repo-counterparties
- Total equity increased with EUR 2.1 bn as a result of
  - the net profit of EUR 415 m reported in 2012
  - the important improvement of negative OCI reserves (both in bank and insurance)

To note: The government-guaranteed bonds (GBB) have been reclassified from Portfolios (EUR 13.6 bn as at 31 December 2011) to Loans to banks (EUR 12.8 bn as at 31 December 2012)

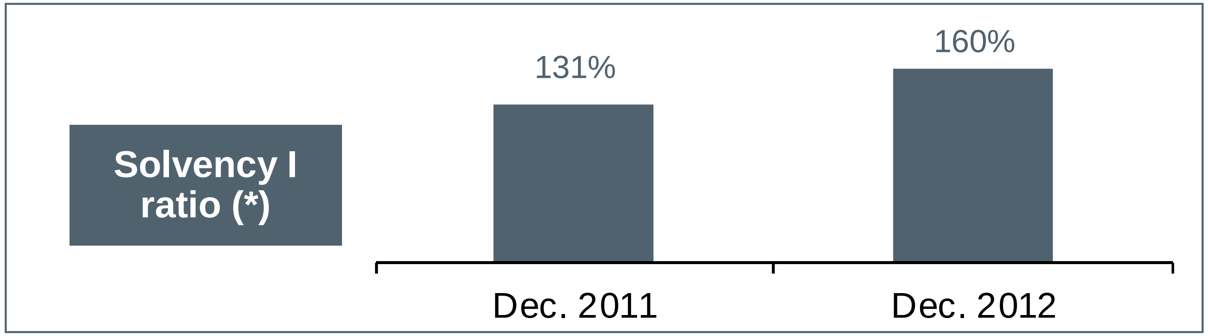
Belfius

Solid financials

Strong solvency ratios



- Basel II Core Tier 1 ratio (+157 bps) improved due to increase of Core Tier 1 capital (+87 bps) and strong decrease of weighted risks (+70 bps)
- Phased-in Basel III Common Equity ratio (pro forma end 2012) estimated at 10.6%



- Strong improvement of Solvency I ratio as a result of positive results of Belfius Insurance and reservation in fund for future dotations *(Discretionary Participation Feature)*

** 2011 figure is pro forma based on the (new) consolidated solvency method applicable since 1Q 2012*

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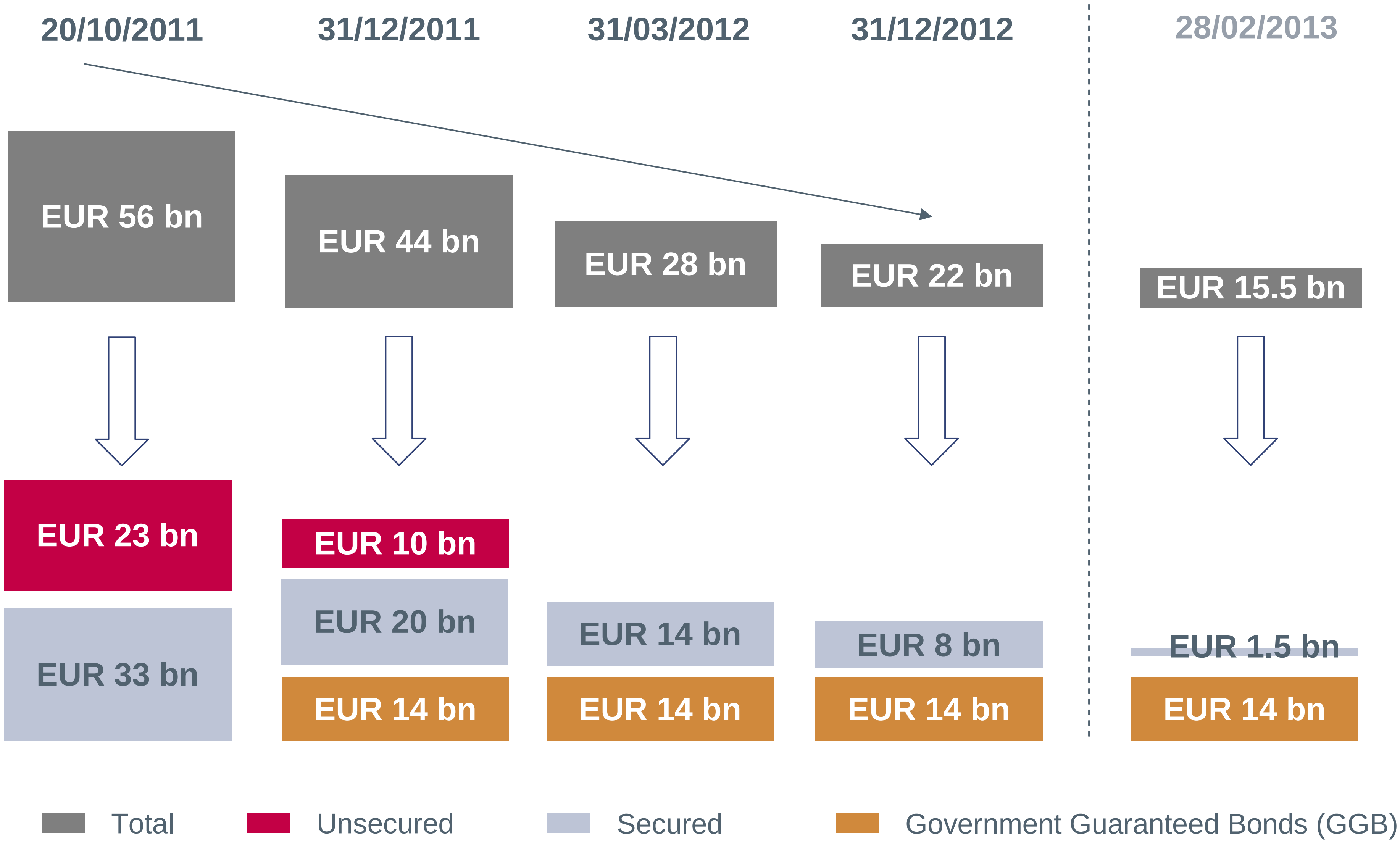
Improved risk profile

Reduction of Belfius exposure to Dexia Group (*)



(*) Rounded figures - based on the full implementation of the netting agreements

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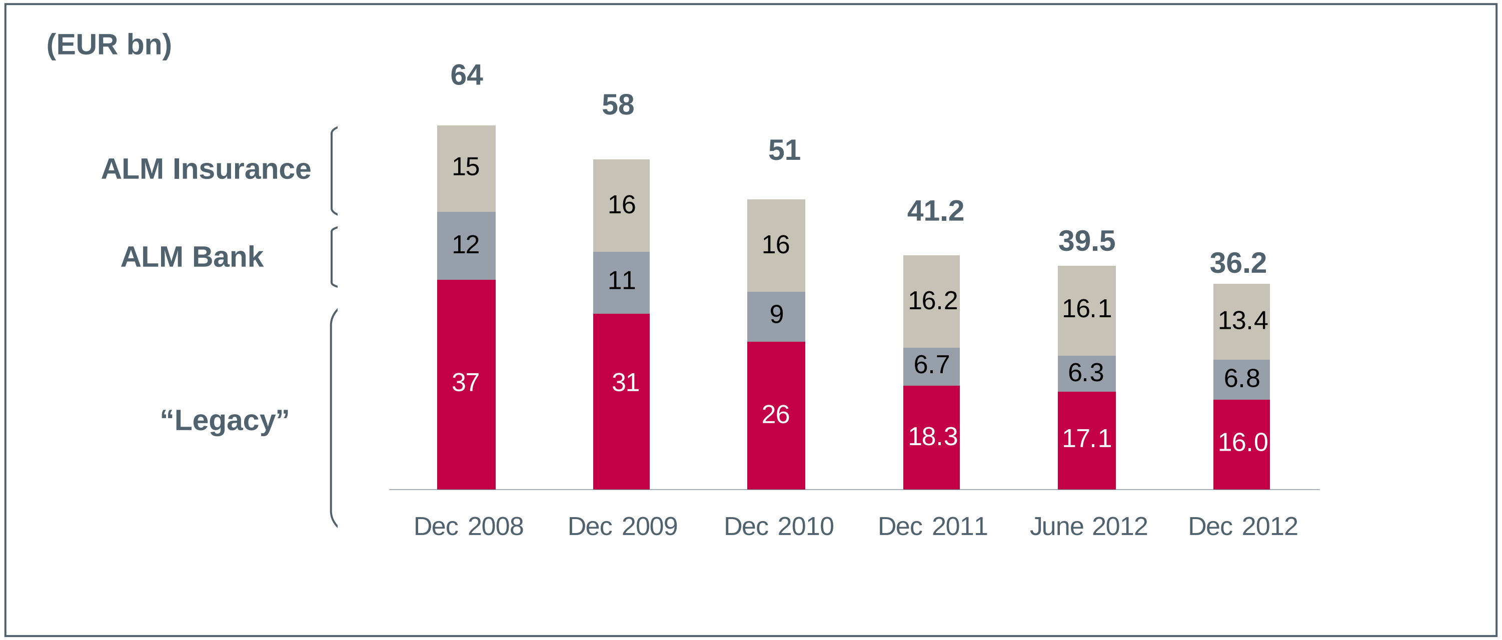
Improved risk profile

Investment portfolio (1/2)

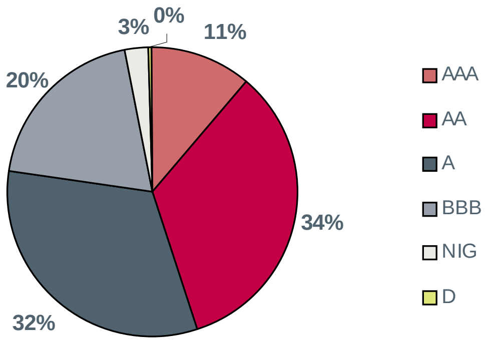


- Total investment portfolio consists of three parts: the former "legacy" portfolio, the ALM Bank portfolio and the ALM Insurance portfolio
- Investment portfolio at EUR 36.2 bn as at 31 December 2012, a reduction of EUR 5 bn vs December 2011, mainly due to
  - natural amortization of EUR 2.5 bn, of which EUR 0.8 bn for the insurer
  - tactical de-risking of EUR 4.1 bn, of which EUR 2.6 bn for the bank and EUR 1.5 bn for the insurer
  - reinvestment for EUR 1.6 bn mainly in Belgian government bonds, mainly in the insurer

Improved risk profile
Investment portfolio (2/2)

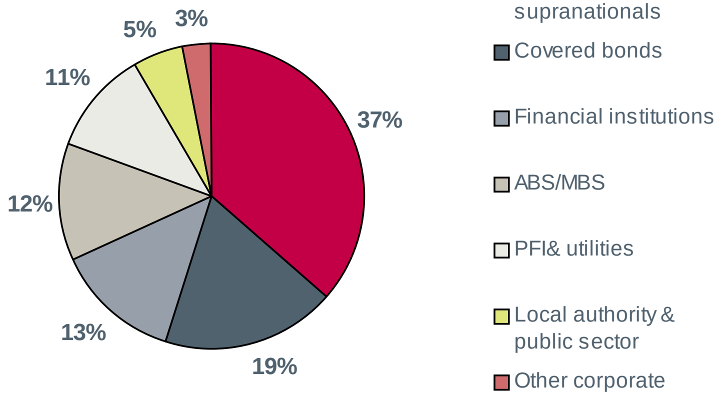
Breakdown by rating

EUR 36.2 bn (as at 31 December 2012)



Breakdown by type of counterpart

EUR 36.2 bn (as at 31 December 2012)



- Investment portfolio well diversified and of good quality
- Portfolio 97% Investment Grade by the end of December 2012 vs 96% by the end of 2011
- Expected average life: 11.2 years
- Gross disinvestments under tactical de-risking amounted to EUR 4.1 bn in 2012, with a loss after tax of EUR 302 m

Improved risk profile

Outstanding exposure on sovereign GIIPS

(EUR m)	31/12/2010	31/12/2011	31/12/2012	Evolution 31/12/2012 31/12/2011
Portugal	336	253	84	-67%
Ireland	326	352	11	-97%
Greece	1,810	670	0	-100%
Spain	1,225	853	2	-100%
Subtotal	3,697	2,128	97	-96%
Italy	5,659	4,355	4,760	9%
Total	9,356	6,483	4,857	-25%

- Total GIIPS exposure stood at EUR 4.9 bn at the end of December 2012, a significant decrease with 25% compared to Dec. 2011, mainly driven by a 96% reduction of total exposure on Portugal, Ireland, Greece and Spain.
- Exposure on Spanish & Greek government bonds reduced to nil.

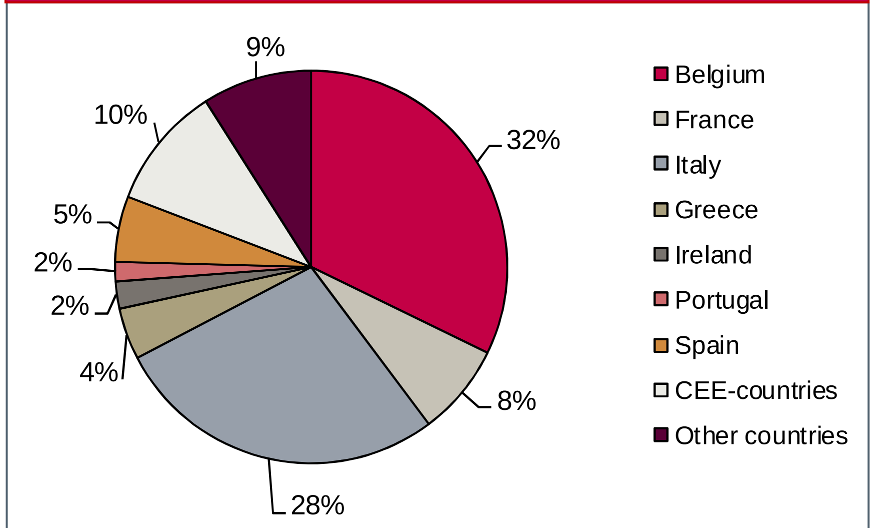
Note: the table above presents the Maximum Credit Risk Exposure (MCRE). In case of bonds classified in the available-for-sale category, the MCRE corresponds to the fair value, after deduction of specific provisions (if any).

Belfius

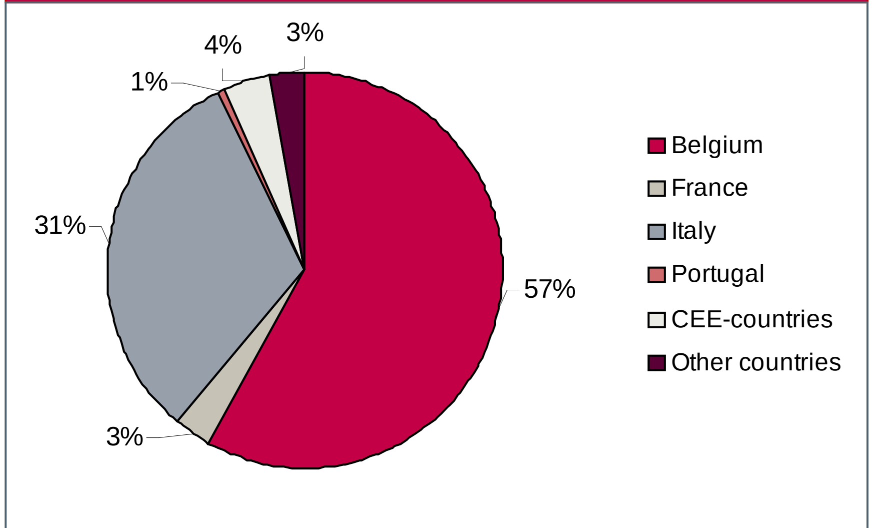
Improved risk profile

Outstanding exposure on government bonds

2011



2012

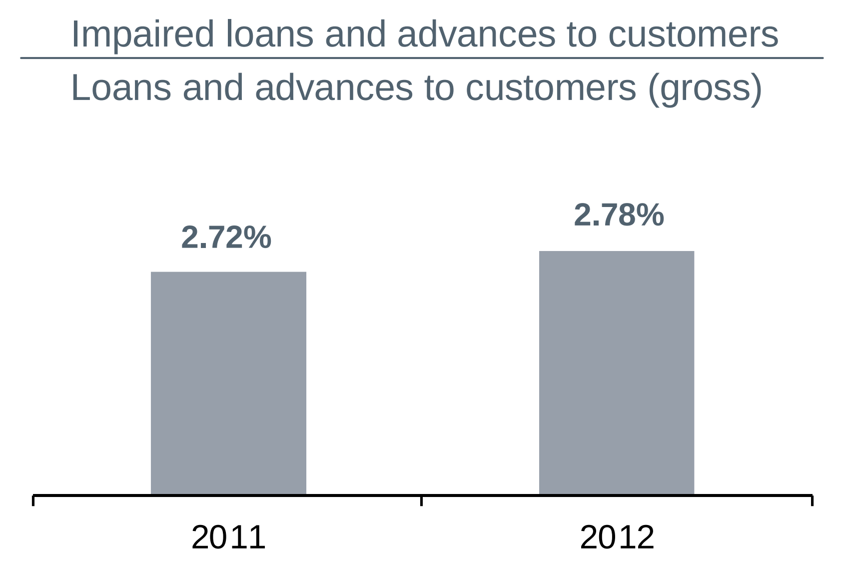


- Total Government Bond Portfolio decreased from EUR 16 bn to EUR 15 bn
- GIIPS & CEE exposure decreased with EUR 3 bn or 33% in 2012
- Due to reinvestments in Belgium government bonds, Belgium now represents 57% of the total Portfolio against 32% in 2011

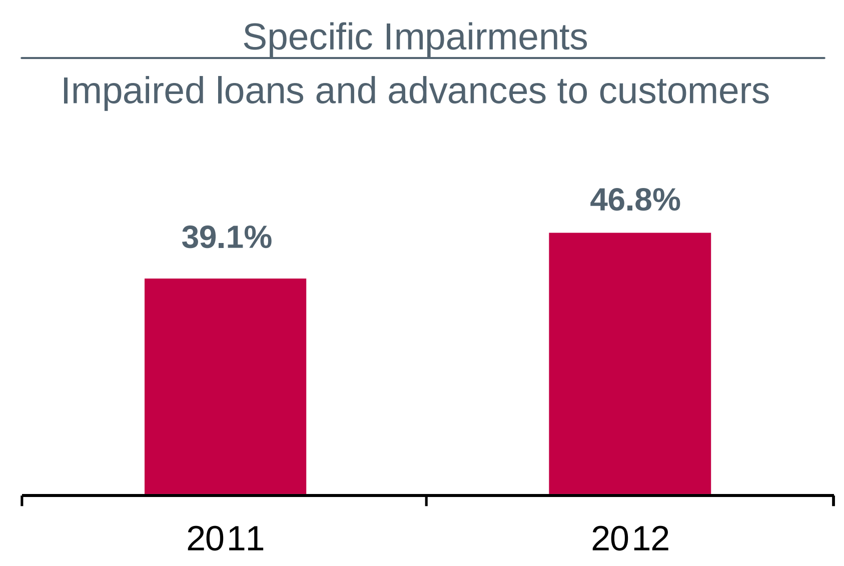
Note: the graphs above are based on Maximum Credit Risk Exposure (MCRE). In case of bonds classified in the available-for-sale category, the MCRE corresponds to the fair value, after deduction of specific provisions (if any).

Improved risk profile
Asset quality

Asset quality ratio



Coverage ratio

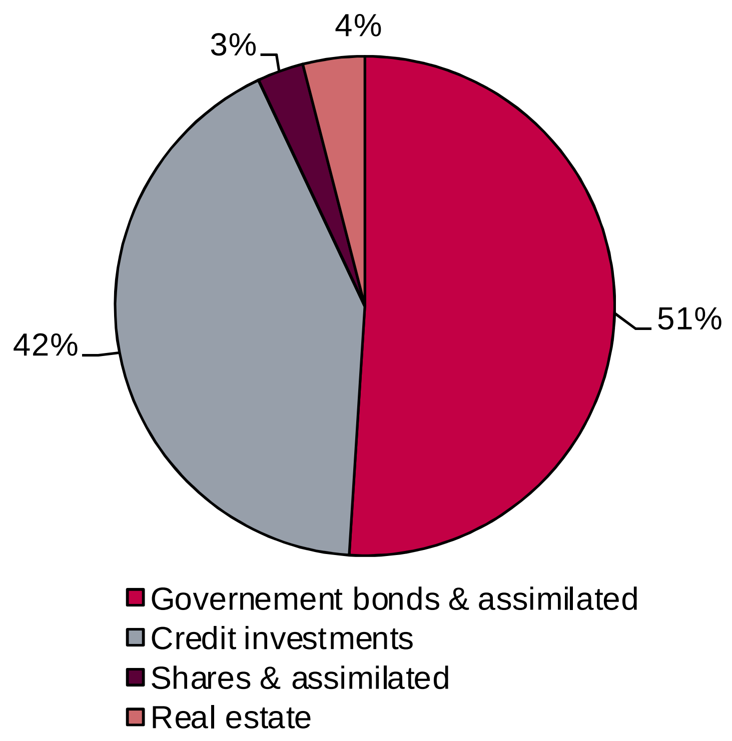


- Despite deteriorated economic environment, no real deterioration of customer loans quality ratio
- During 2012, the bank increased its coverage ratio

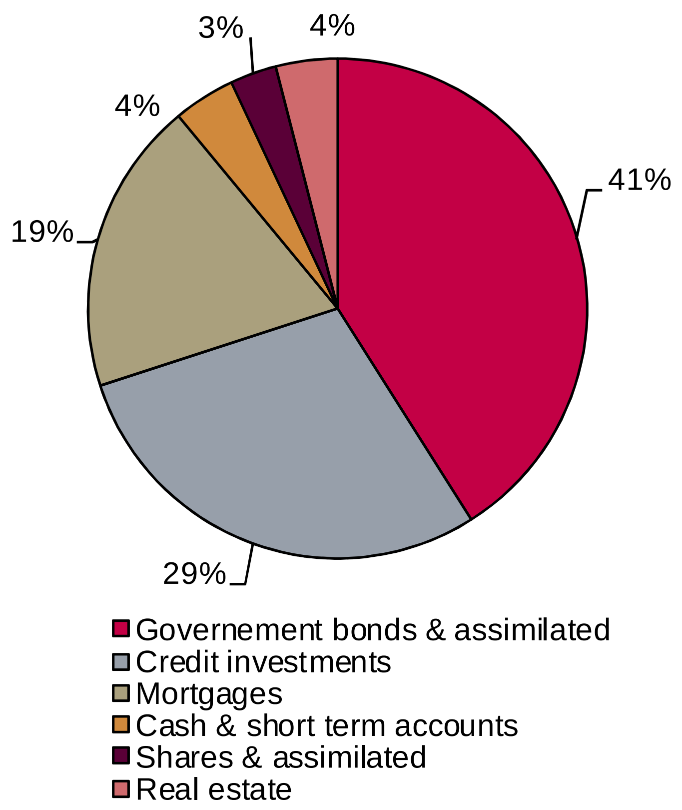
Improved risk profile

Belfius Insurance: Diversified asset allocation

2011



2012



- In 2012, Belfius Insurance made an important overhaul of its asset allocation: mainly consisting of divestments in GIIPS/CEE govies and MBS, reinvestment in OLO and sound Belgian mortgages

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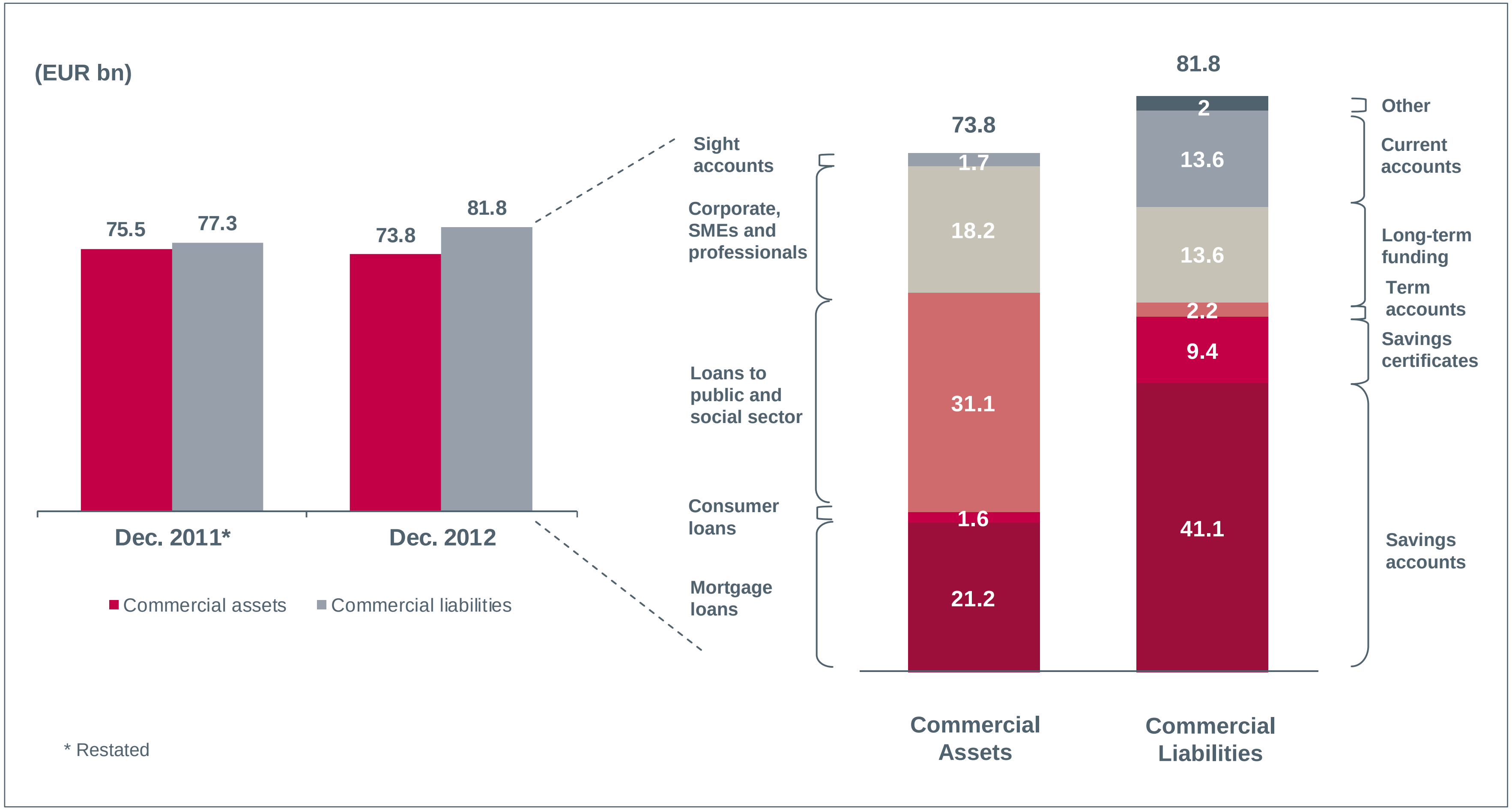
Diversified funding
Tap different funding sources

- Belfius Bank has further developed different stable funding sources:
  - RCB and PWB deposits, Insurance reserves
  - Belfius bond issues for RCB clients
  - Institutional (private) unsecured issues (short term and long term)
  - Belgian Covered Bond (public and private) issues

- A clear institutional funding strategy, climbing up the ladder of “juniority”:
  - After the launch of 2 successful benchmark transactions in Belfius Pandbrieven in Q4 2012 and Q1 2013 respectively, Belfius Bank is now a well-positioned new issuer in the institutional market
  - Belfius Bank will continue its strategy of diversification of its funding sources and its investor base:
    - Issuance of 1 to 2 Belgian covered bond issues per year combined with private placements
    - Recent set up of CP program in the short term funding market
    - Different issuing programs are now available, as well as stand-alone documentation such as specific German formats (e.g. Schuldschein…)
    - Further working towards unsecured public issues in the medium to long term funding market

Diversified funding

Belfius Bank: Commercial balance sheet

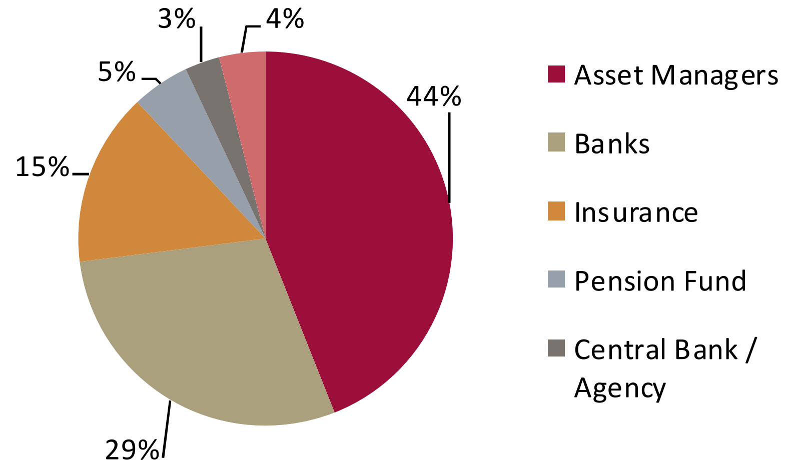


- The commercial balance sheet shows a further increasing excess of funding
- Loan-to-deposit ratio improved to 90% end 2012, compared to 98% end 2011.

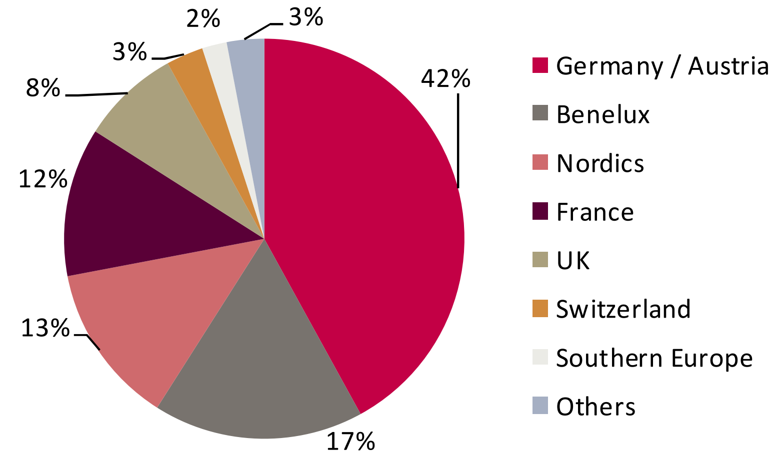
Diversified funding

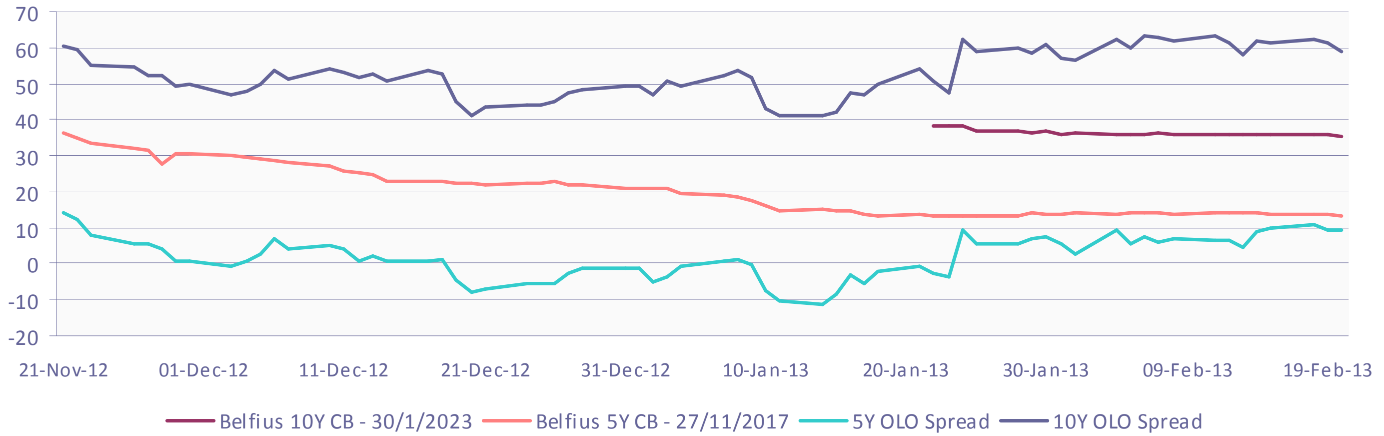
Inaugural covered bond issue – November 2012

Breakdown by investor type



Breakdown by geography

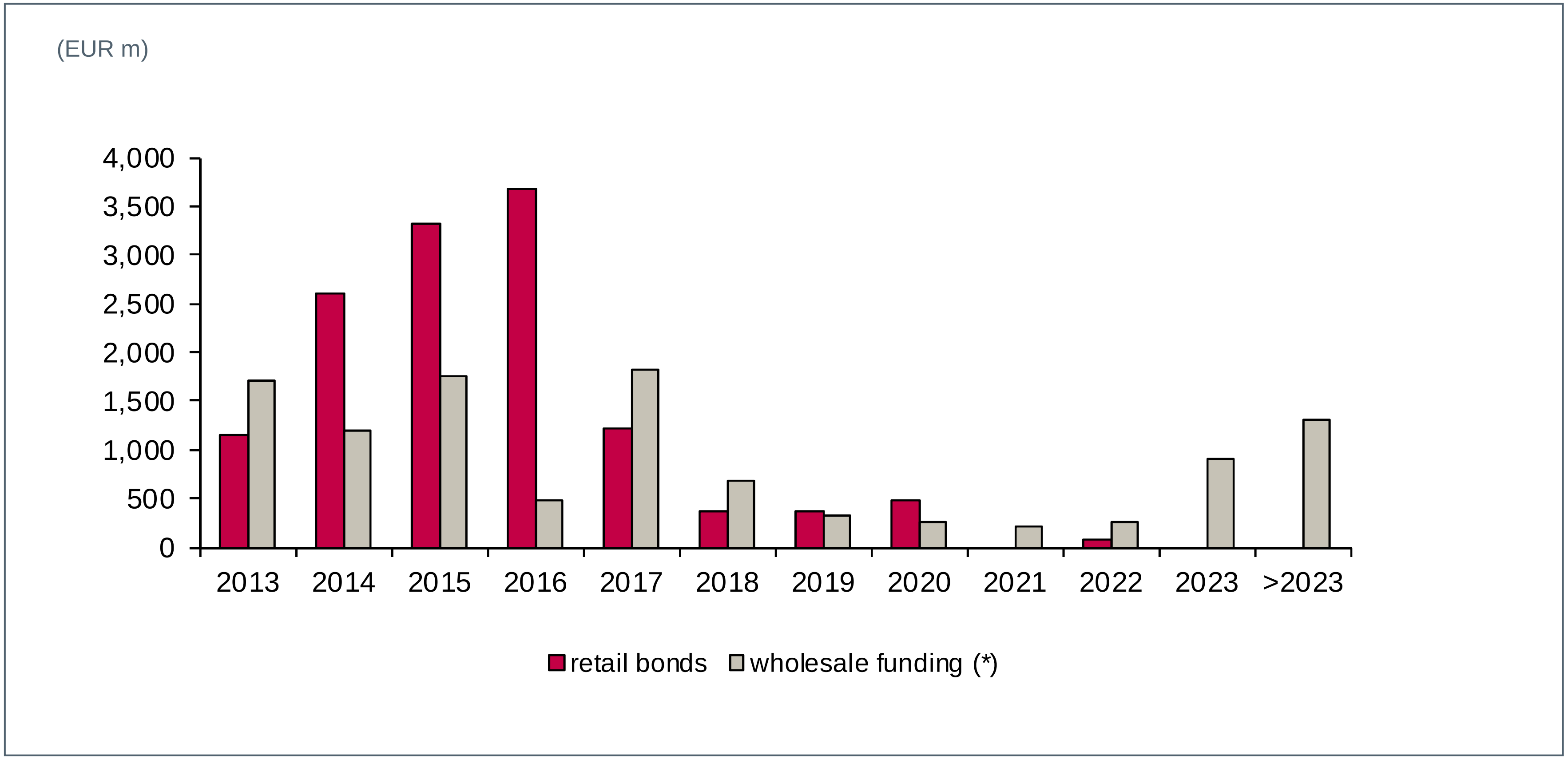




- Belfius credit spread in benchmark covered bonds narrowed in Q4 2012 and 2013

Diversified funding

Redemption profile of medium/long term funding securities



- Institutional funding needs of Belfius are rather limited and well spread over coming years
- Retail funding issues can be considered as rolling over in a natural way

(*) wholesale funding, including covered bonds

Diversified funding

Belfius issuing programmes

	Issuer	Listing
Belfius Euro Commercial Paper Programme	Belfius Financing Company with 100% guarantee of Belfius Bank	Not listed
Belfius CD Programme	Belfius Bank	Not listed
Belfius Mortgage Pandbrieven Programme	Belfius Bank	Listed on Euronext Brussels
EMTN Programme	Belfius Bank & Belfius Funding with 100% guarantee of Belfius Bank	Listed on Luxembourg Stock Exchange
Belfius Notes Issuance Programme	Belfius Bank & Belfius Funding with 100% guarantee of Belfius Bank	Not listed

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Belfius

Belfius' case approved by the EC (1/3)

Acquisition of Belfius by the Belgian Federal State is considered as State Aid

Historical State Aid

- As a part of the Dexia Group, Dexia Bank Belgium, now Belfius Bank, indirectly benefitted from the State Aid granted to Dexia in 2008

Liquidity assistance

- The liquidity assistance granted by the National Bank of Belgium to Dexia Bank Belgium during the "Dexia crisis" in 2011 in order to ensure the financing of Dexia Crédit Local, is considered as State Aid

Acquisition by the Belgian Federal State

- The acquisition of Belfius by the Belgian Federal State is State Aid
  - only the State could act so rapidly at that price
  - advantage for Belfius of being separated from the Dexia Group

Restructuring plan is compatible with State Aid rules & interior market functioning

1. It demonstrates the long-term viability of Belfius
2. It underpins an important own contribution by the institution
3. It comes with measures that are aimed at correcting distorsions of competition

Belfius' case approved by the EC (2/3)

Following commitments will apply until December 2014

Business

- Imposed reduction of operating costs
- Cap on loan production to Public Banking clients
- Cap on production of Br21 Life Insurance products
- Absence of proprietary trading activities
- Ban on use of state aid concept in advertising

Governance

- Ban on dividend payments
- Ban on discretionary coupon payments and discretionary early repayments (on issues existing before 20 Oct 2011)
- Ban on acquisitions of equity stakes in other companies
- General, risk management and remuneration governance

Belfius

Belfius' case approved by the EC (3/3)

EC assessment of Belfius as a viable stand-alone group with a sustainable future

- The EC commitments do not hamper the realization of Belfius' business plan
- Belfius is now able to build a sustainable and autonomous future from a long-term perspective, and in coming years it can envisage
  - to maintain its market share in the various client segments and to refocus on the Belgian economic environment
  - to allocate its profit to further strengthening its capital base in line with the regulatory reforms associated with Basel III and Solvency II
  - to make sustained efforts to reduce recurrent costs the coming years
- Belfius will continue to act as a complete and active bank-insurer to the public and social sectors, and to play its role in the Belgian economy

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Belfius

Wrap-up

- Many achievements in 2012, in line with stated strategic roadmap since separation from Dexia Group
  - Finalization of the EU file and focus on EU approved restructuring plan
  - Stabilization of the franchise with a new modern brand, commercial efforts and new strategic focus on Belgian economical tissue
  - Significant reduction efforts on exposure of Dexia
  - Unwinding of operational links with Dexia
  - Further improvement of Belfius' liquidity profile due to increased commercial funding and diversification of institutional funding
  - Tactical de-risking efforts in the bond portfolio
  - Solvency reinforcement with a view to prepare for Basel III and Solvency II

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Appendix 1

Income breakdown by business line

(EUR m)	2H 2011	1H 2012	2H 2012	2012
Income	**-548**	**1,358**	**1,100**	**2,458**
Of which				
Retail and Commercial Banking	*645*	*650*	*664*	*1,314*
Public and Wholesale Banking	*196*	*194*	*187*	*381*
Insurance	*-489*	*131*	*139*	*270*
Group Center	*-15*	*65*	*-44*	*21*
Side activities	*-885*	*319*	*153*	*472*

(EUR m)	2H 2011	1H 2012	2H 2012	2012
Net Income Group Share	**-1,267**	**252**	**163**	**415**
Of which				
Retail and Commercial Banking	*27*	*70*	*97*	*167*
Public and Wholesale Banking	*39*	*59*	*59*	*118*
Insurance	*-423*	*21*	*38*	*59*
Group Center	*91*	*-20*	*-33*	*-53*
Side activities	*-1,000*	*122*	*3*	*125*

- **Comments**
  - Stable income and net income Group Share in the commercial business lines throughout the different semesters
  - One-off and non-recurring items mainly booked in Group Center and Side activities

Appendix 2

Consolidated balance sheet - Assets

(EUR m)	31/12/2011	31/12/2012	Evolution 31/12/2012 31/12/2011
Loans and advances	**138,821**	**132,730**	**-6,091**
To banks and central banks	*46,888*	*43,244*	*-3,644*
To customers	*91,933*	*89,486*	*-2,447*
Portfolios	**50,413**	**36,681**	**-13,732**
Financial assets at FV through P&L	*5,501*	*5,078*	*-423*
Financial investments (AFS)	*44,912*	*31,603*	*-13,309*
Derivatives	**34,933**	**35,235**	**302**
Other	**8,342**	**8,301**	**-41**
Total assets	**232,509**	**212,947**	**-19,562**

- The reduction of the assets with EUR 19.6 bn in 2012 is a combination of
  - a decrease of loans and advances of EUR 6.1 bn due to:
    - a sharp reduction (EUR 21.7 bn) of funding granted to Dexia entities, but partially compensated by a transfer of GGB (EUR 12.8 bn) from Financial investments *
    - an increase of cash collateral due to lower interest rates
  - a decrease of the bond portfolio of EUR 13.7 bn due to:
    - a transfer of GGB to loans and advances (EUR 12.8 bn)*
    - a decrease due to derisking though partially compensated by reinvestments mainly in Belgian government bonds

(*) To note: The government-guaranteed bonds (GBB) have been reclassified from Financial investments (EUR 13.6 bn as at 31 December 2011) to Loans and advances to banks (EUR 12.8 bn as at 30 June 2012)

Appendix 3

Consolidated balance sheet - Liabilities, without equity

(EUR m)	31/12/2011	31/12/2012	Evolution 31/12/2012 31/12/2011
Due to	**129,680**	**107,089**	***-22,591***
Banks and central banks	*59,415*	*40,440*	*-18,975*
Customers	*70,265*	*66,649*	*-3,616*
Debt securities	**38,130**	**37,942**	***-188***
Debt securities	*24,362*	*26,439*	*2,077*
Debt securities at FV through P&L	*11,083*	*10,463*	*-620*
Subordinated Debt	*2,685*	*1,040*	*-1,645*
Derivatives	**41,373**	**41,766**	***393***
Provisions	**17,763**	**18,527**	***764***
Other	**2,288**	**2,264**	***-24***
Total liabilities	**229,234**	**207,588**	***-21,646***

- The decrease of the liabilities with EUR 21.6 bn is a combination of
  - a decrease (EUR 19 bn) of liabilities from central banks
  - a decrease (EUR 4 bn) of liabilities to customers following
    - a decrease of repo’s for EUR 8 bn
    - an increase of commercial deposits from clients for EUR 4 bn
  - a small decrease (EUR 0.2 bn) of debt securities as a result from
    - a significant decrease of subordinated debt due to repurchases compensated by
    - new bond issues among others a covered bond issue for EUR 1.2 bn

Appendix 4

Consolidated balance sheet - Equity

(EUR m)	31/12/2011	31/12/2012	Evolution 31/12/2012 31/12/2011
Core shareholders' equity	**6,591**	**7,006**	**415**
Subscribed capital + aditional paid in capital	*3,667*	*3,667*	*0*
Reserves + retained earnings	*4,290*	*2,924*	*-1,366*
Net income for the period	*-1,367*	*415*	*1,782*
Gains and losses not recognised in the statement of income	**-3,331**	**-1,666**	**1,665**
Reserve AFS (Available for Sale)	*-3,321*	*-1,629*	*1,692*
Reserve CFH (Cash flow hedge) + other	*-10*	*-37*	*-27*
Reserve AFS linked to Assets Held for Sale	*0*	*0*	*0*
Discretionary Participation Features	*0*	*0*	*0*
Total shareholders' equity	**3,259**	**5,340**	**2,081**
Other	**16**	**19**	**3**
Total equity	**3,275**	**5,359**	***2,084***

- The increase of total equity with EUR 2.1 bn is mainly due to
  - the net profit of EUR 415 m reported in 2012, reinforced by
  - the positive evolution of AFS reserves, both at bank & insurance side

Appendix 5

Focus on regulatory equity

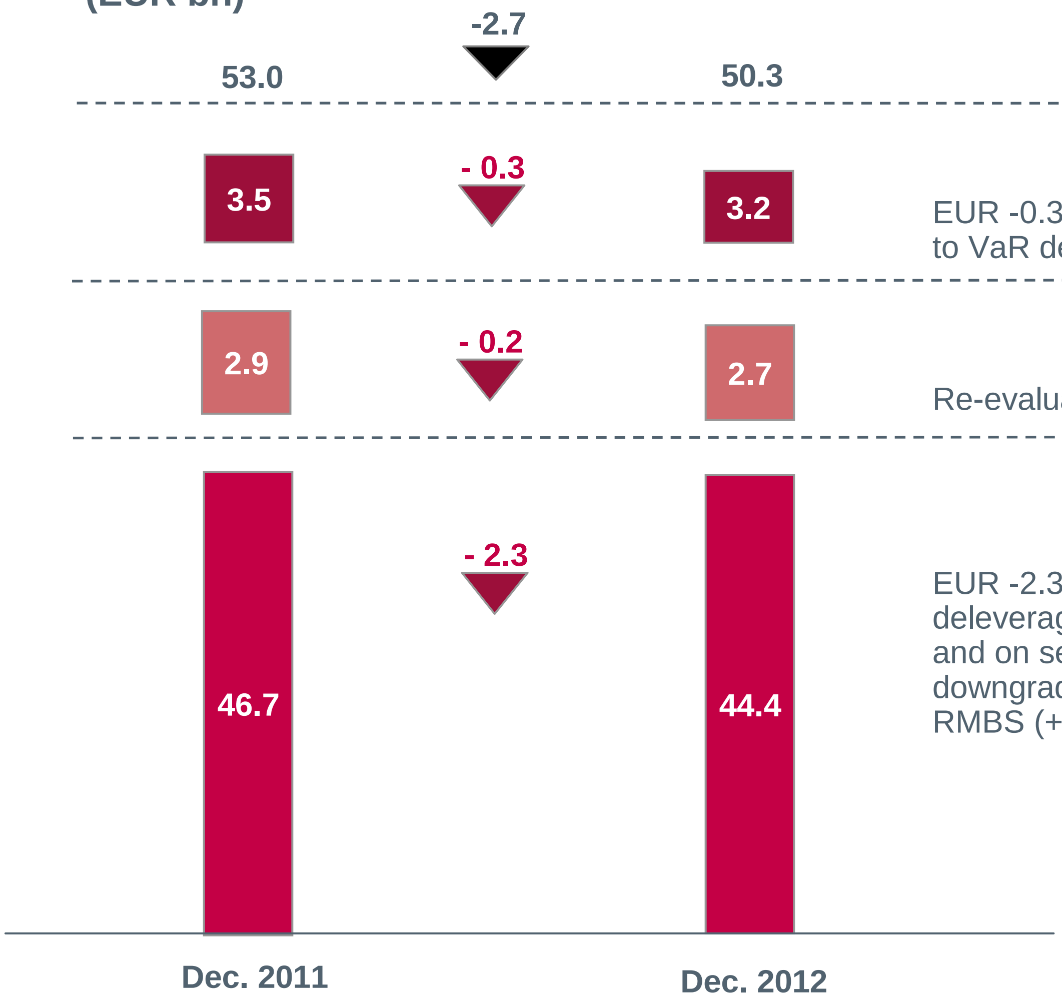
(EUR m)	31/12/2011	31/12/2012	Evolution 31/12/2012 31/12/2011
Core shareholders' equity	**6,591**	**7,006**	**415**
Deduction accruals of dividends to be paid	*0*	*0*	*0*
Prudential filters	*-243*	*-108*	*135*
Participations to be deducted & subordinated loans	*-111*	*-196*	*-85*
Core TIER 1	**6,237**	**6,702**	**465**
Hybrid Tier 1	*499*	*0*	*-499*
TIER 1	**6,736**	**6,702**	**-34**
Reserve AFS shares (90%)	*48*	*48*	*0*
Issue Upper Tier 2	*879*	*264*	*-615*
Issue Lower Tier 2	*1,141*	*863*	*-278*
Shortage (-) / Surplus (+) IRB position	*11*	*41*	*30*
Participations to be deducted & subordinated loans	*-111*	*-196*	*-85*
TIER 2	**1,968**	**1,020**	**-948**
Insurance companies to be deducted (Equity Method)	*-710*	*-781*	*-71*
Total equity CAD	**7,994**	**6,941**	**-1,053**
Core TIER 1 ratio	**11.8%**	**13.3%**	**+ 157 bps**
TIER 1 ratio	**12.7%**	**13.3%**	**+ 63 bps**
CAD ratio	**15.1%**	**13.8%**	**-127 bps**

- Total equity decreased with EUR 1.1 bn due to the buy-back of Tier 1 and some Tier 2 bonds, though it resulted in a partial transformation to higher quality own funds (core equity). Furthermore, Tier 2 relations between Belfius and Dexia entities were unwound

Appendix 6

Focus on weighted risks

(EUR bn)



Market Risk

EUR -0.3 bn decrease, mainly on internal model due to VaR decrease

Operational Risk

Re-evaluation once a year in December

Credit Risk

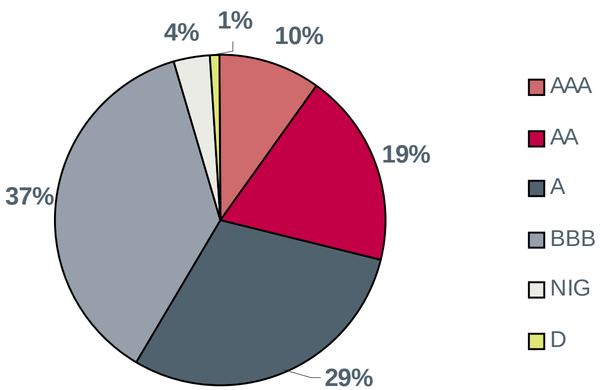
EUR -2.3 bn decrease due to the deleveraging efforts on DSA/DCL assets and on securities (-) partially offset by downgrading on some ABS and Greek RMBS (+) and by a FX effect (+)

Appendix 7

Investment portfolio – Legacy

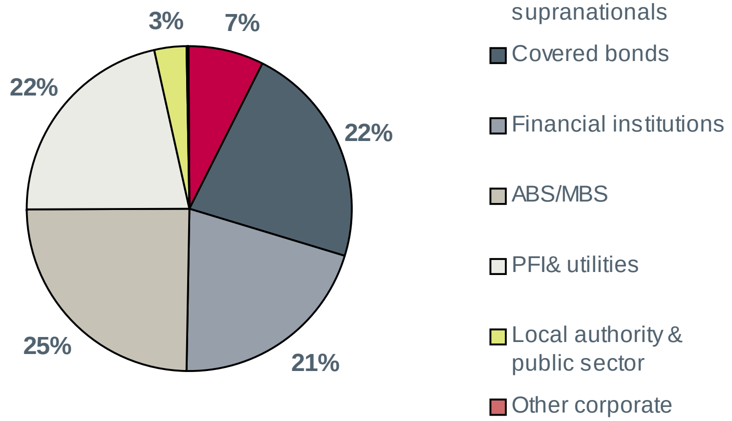
Breakdown by rating

EUR 16.0 bn (as at 31 December 2012)



Breakdown by type of counterpart

EUR 16.0 bn (as at 31 December 2012)

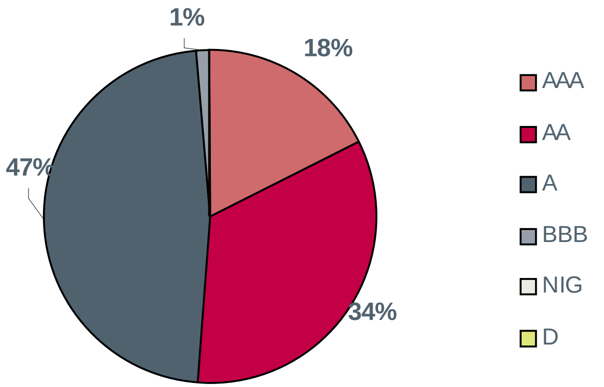


- Legacy portfolio at EUR 16.0 bn as at 31 December 2012, a reduction of EUR 2.3 bn vs December 2011
- Portfolio 95% Investment Grade by the end of December 2012, vs 94% by the end of December 2011
- Expected average life: 11.3 years

Appendix 8
Investment portfolio – ALM Bank

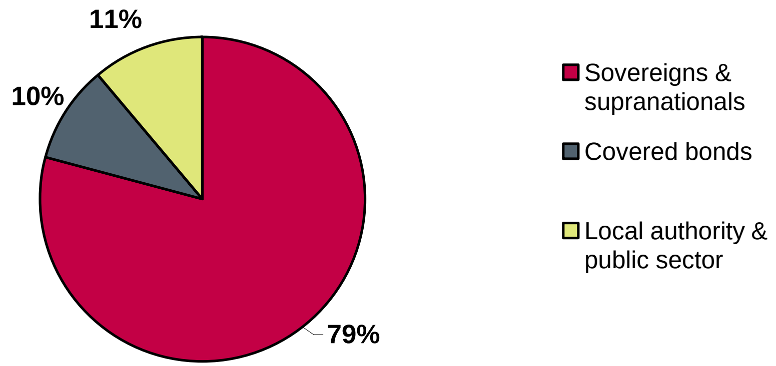
Breakdown by rating

EUR 6.8 bn (as at 31 December 2012)



Breakdown by type of counterpart

EUR 6.8 bn (as at 31 December 2012)



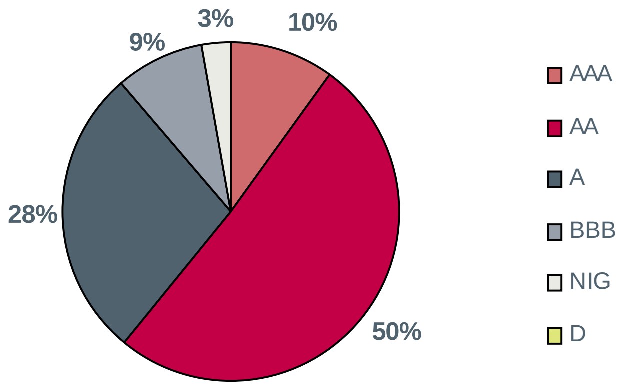
- ALM Bank portfolio at EUR 6.8 bn as at 31 December 2012, stable compared to previous year
- Portfolio 100% Investment Grade by the end of December 2012, vs 98% by the end of December 2011
- Expected average life: 13.4 years

Appendix 9

Investment portfolio - ALM Insurance

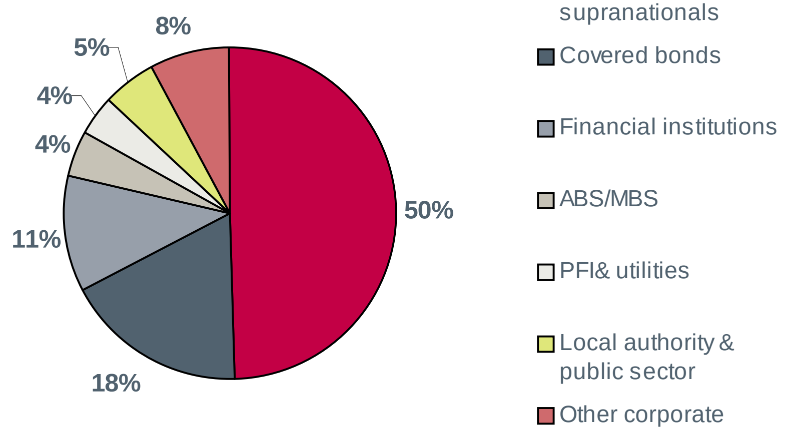
Breakdown by rating

EUR 13.3 bn (as at 31 December 2012)



Breakdown by type of counterpart

EUR 13.3 bn (as at 31 December 2012)



- ALM Insurance portfolio at EUR 13.3 bn as at 31 December 2012, a reduction of EUR 2.8 bn vs December 2011,
- Portfolio 97% Investment Grade by the end of December 2012, stable compared to previous year
- Expected average life: 10 years

Appendix 10
Ratings

Ratings as at 1 March 2013

	Long-term rating	Outlook	Short-term rating
Fitch	A-	Stable	F1
Moody's	Baa1	Stable	Prime-2
Standard & Poor's	A-	Negative	A-2

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