

Belfius

Let's zoom on 1H 2022

Meaningful & inspiring for Belgian society. Together.

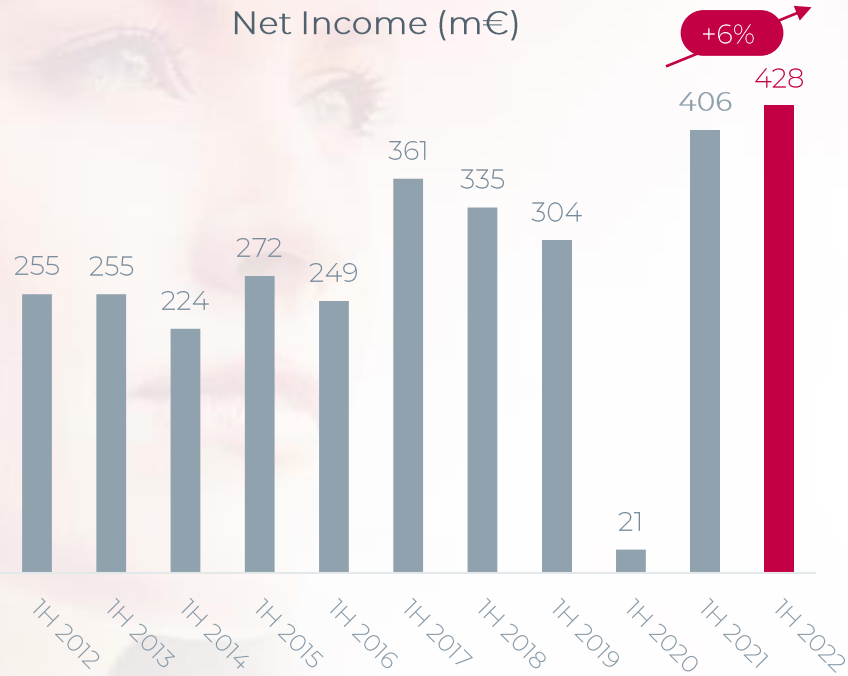
5 August 2022



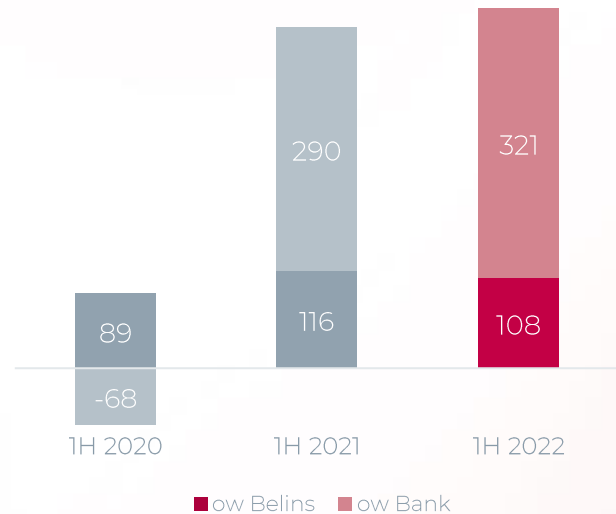
Belfius continues to be able to combine its purpose with strong commercial dynamics and solid financials

Net Income
Belgium

Net Income (m€)



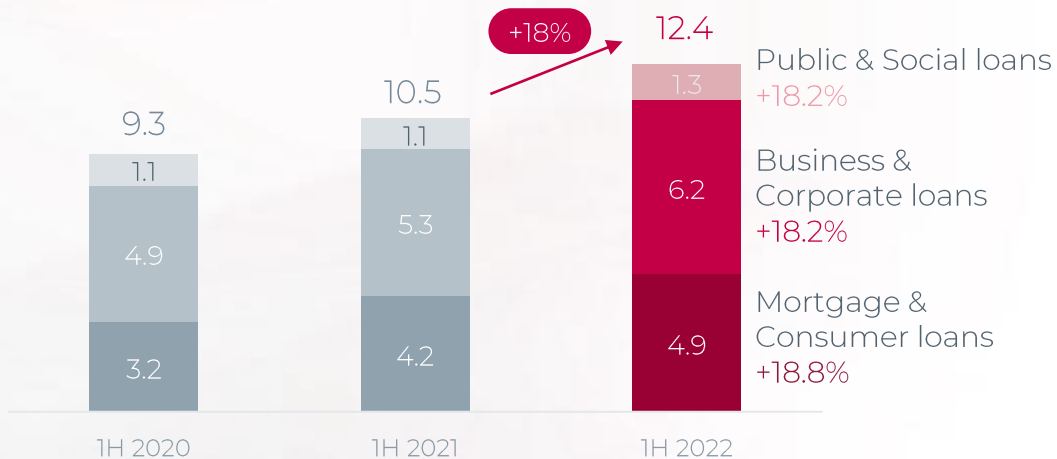
Contribution Bank / Insurance
to Net Income (m€)



Continued growing contribution to financing needs of Belgian economy

Meaningful for the Belgian economy

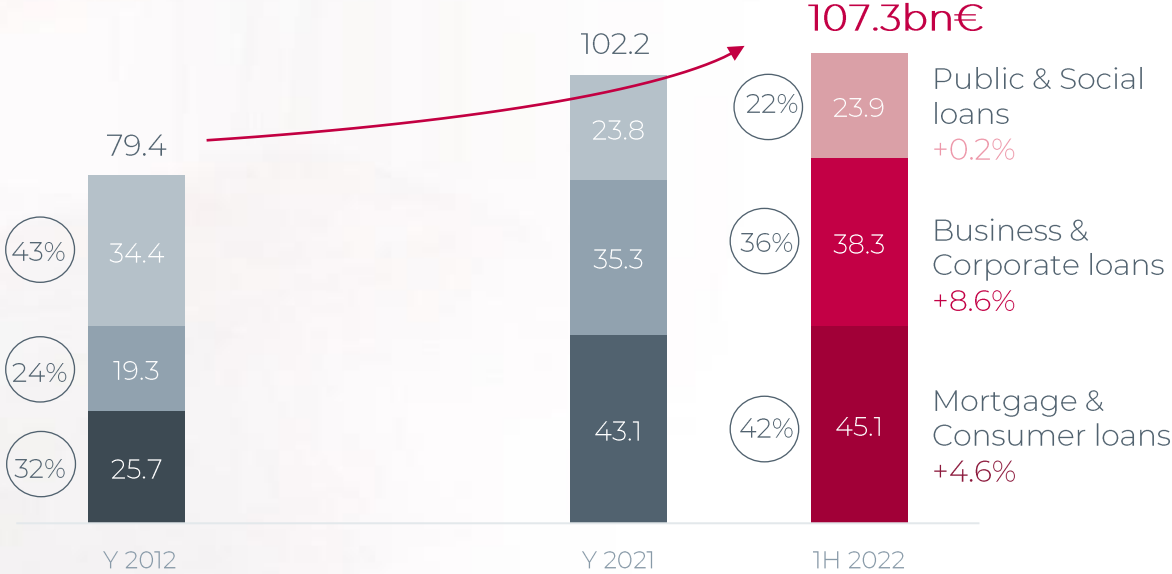
Highest LT loan production since origin (bn€)



Meaningful for the Belgian economy

A more balanced asset profile, serving all segments of the Belgian economy

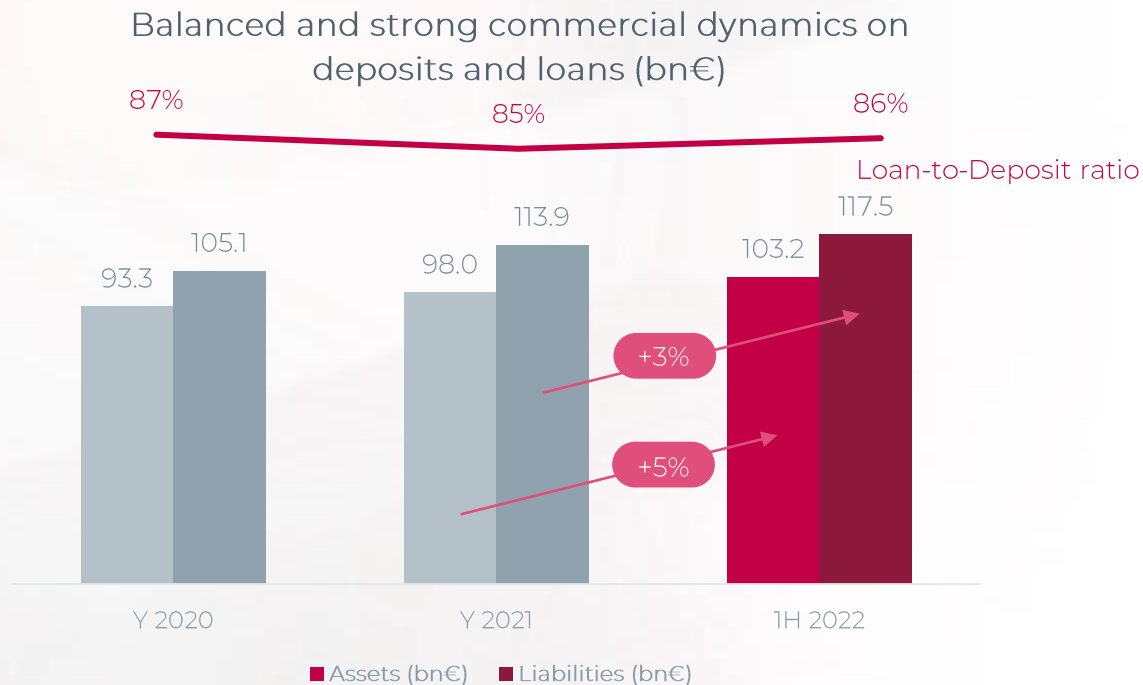
Growing beyond the milestone of 100 bn€ of outstanding commercial loans



Note: (%) of total portfolio per Y 2012 and 1H 2022

Keeping the growth of our deposits
in line with the growth of our loans

Meaningful for the
Belgian economy

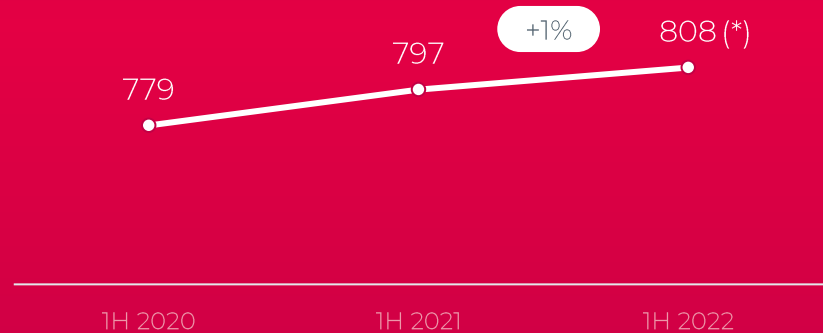




Meaningful for the Belgian economy

Net Interest Income continues to increase

NII Bank (m€)



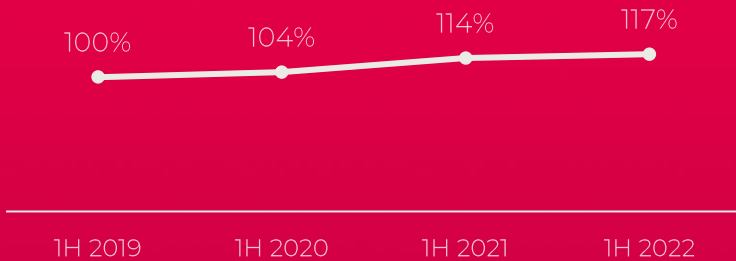
(*) To note: without accounting shift from financial to operational leasing, due to new servicing contract at Belfius Auto Lease, NII would have been 10m€ higher in 1H 2022 (+2.6%).



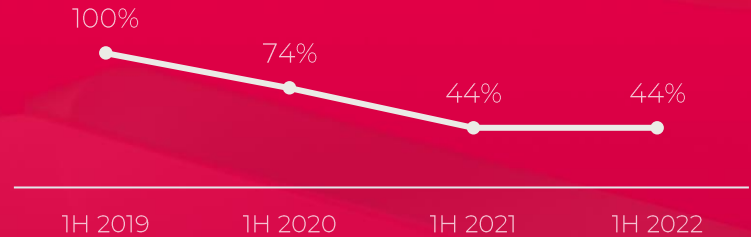
Continued strict risk-based pricing discipline and margin improvement on NMD in sight

Meaningful for the Belgian economy

Average BOR margin on loans stock - index

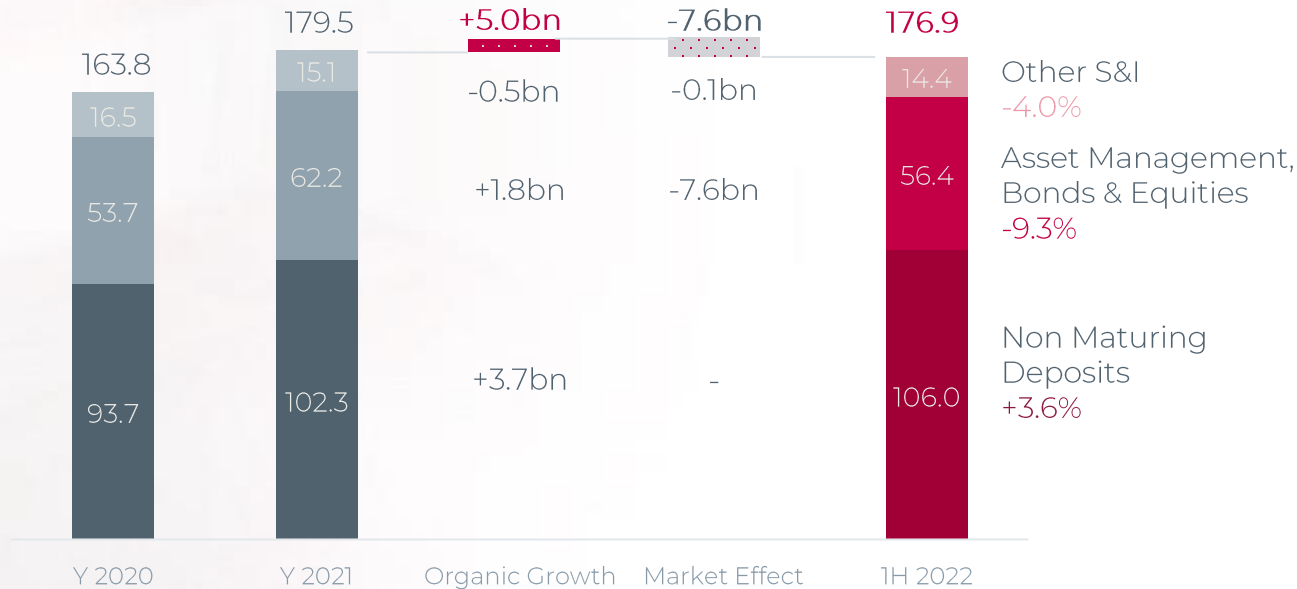


Average BOR margin on NMD Individuals - index



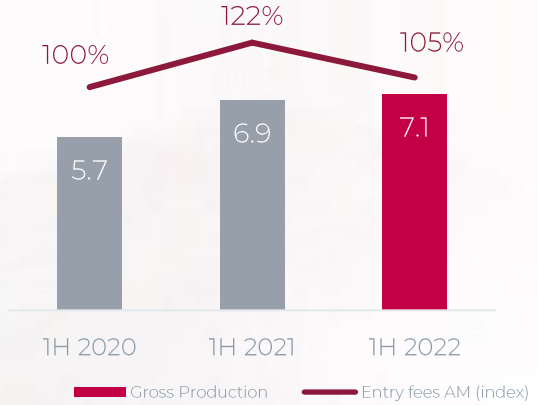
From a 'bank for savers' to a 'bank for investors'

Continued strong organic growth in S&I (bn€)

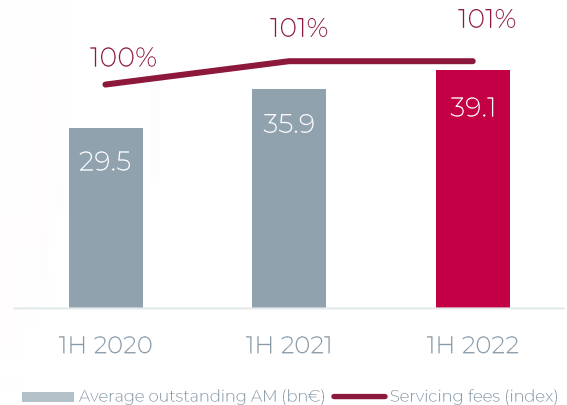


Excluding market effect, continued solid dynamics in Asset Management Services

Production & entry fees AM services (bn€)



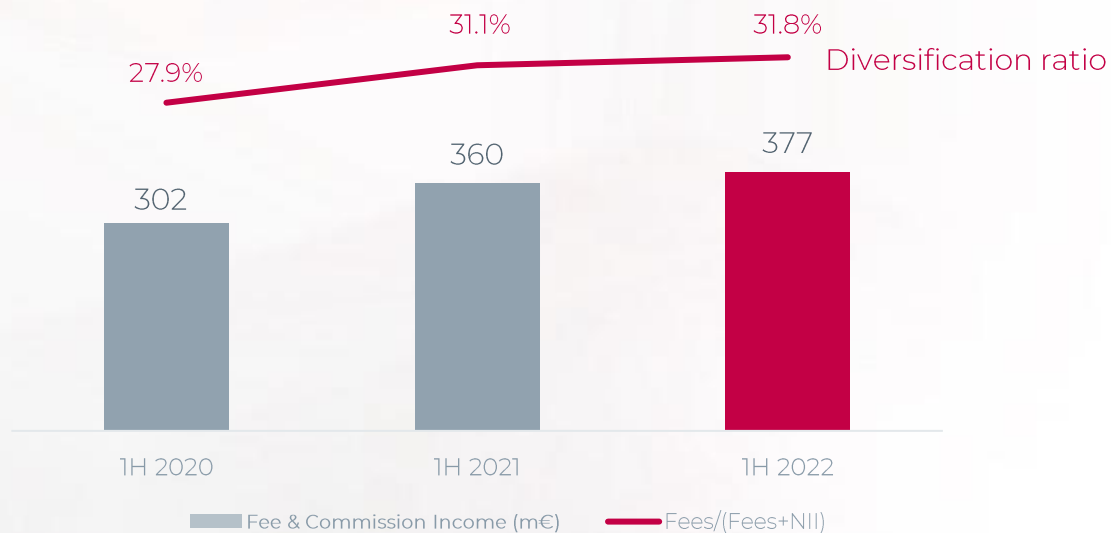
Average outstanding AM services (bn€)



Belfius continues to improve income diversification

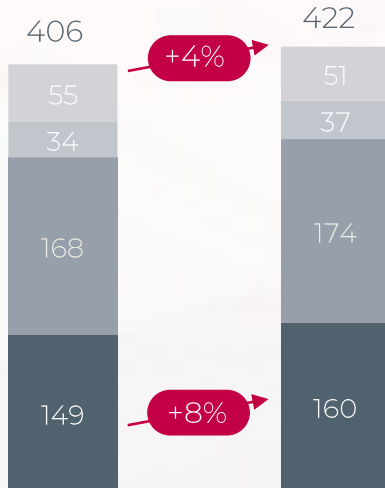
Bank for investors

Continued growth in F&C Income,
despite market turmoil (m€)



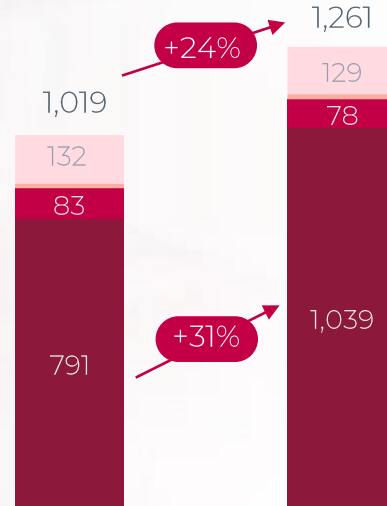
Continuous development of Bancassurance model

Growing premiums
Non-Life (m€)



■ Bancassurance ■ DVV ■ Corona ■ Wholesale

Growing Production
Life (m€)



■ Bancassurance ■ DVV
■ Corona* ■ Wholesale & Other

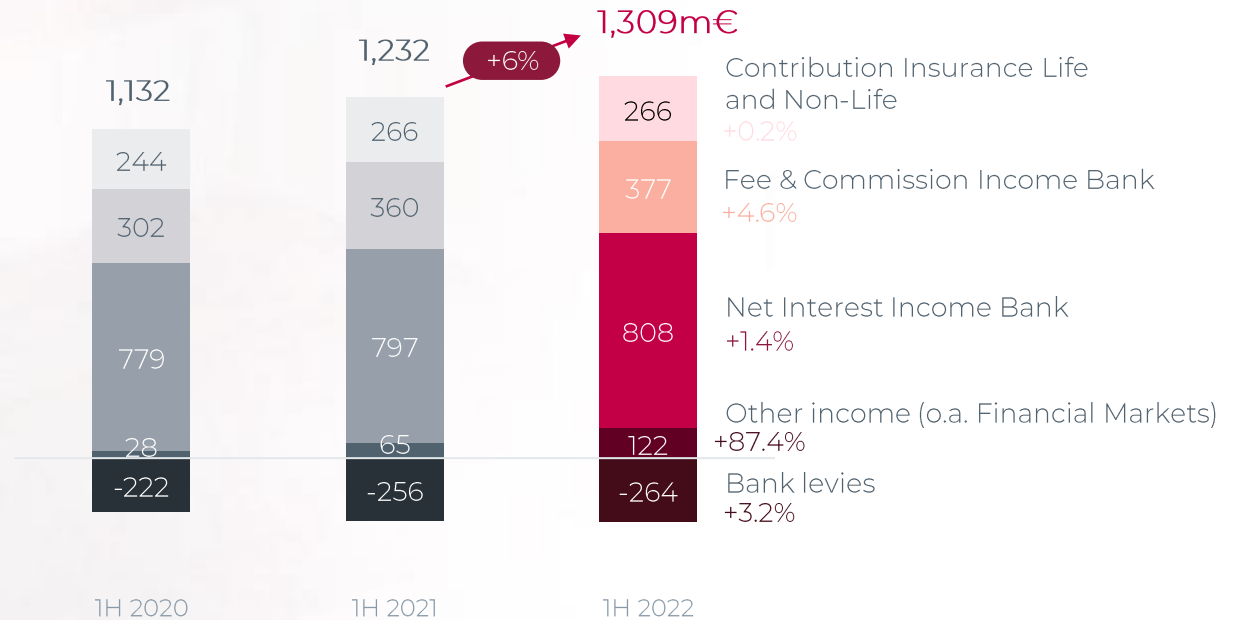
Integrated
bank-insurer

NCR
101.5%

Life
income
margin
2.61%

Strong commercial dynamics
in full alignment with desired financial strategy

Income (m€)





Deepening
client services

Strong Financial Markets position in
Belgium

Debt Capital Markets (DCM)

Leadership position with

30%

Of Belgian DCM
market

Total of

6.6bn€

LT and ST alternative
financing

Equity Capital Markets (ECM)

7

Deals in 1H 2022

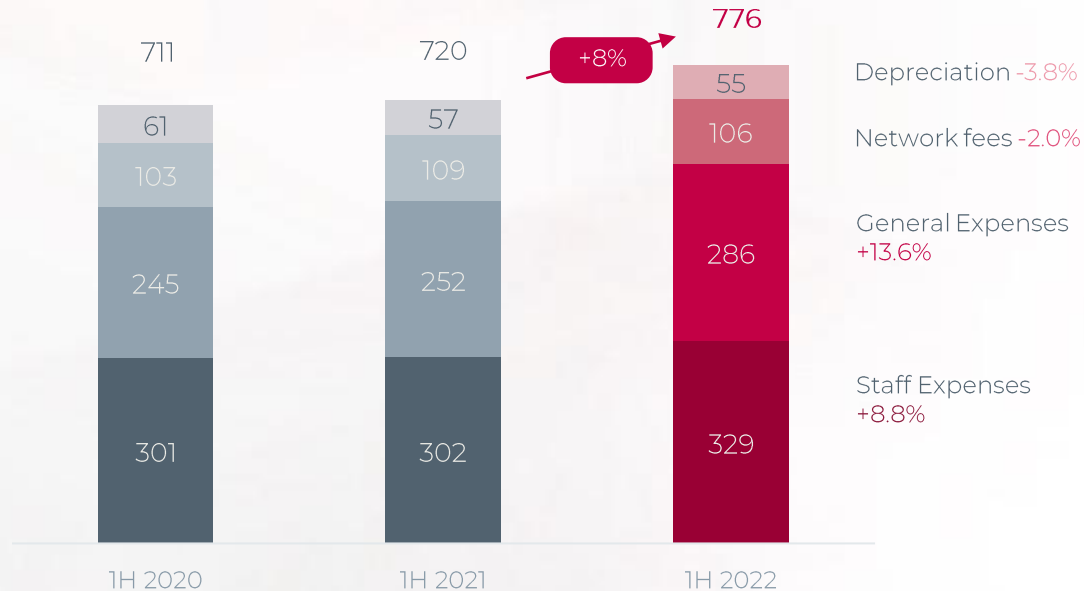
985m€

Total transaction value

Continued investments in talent, digital and brand.
Cost/Income remains under control despite inflation

Sound risk and financial profile

Costs (m€)



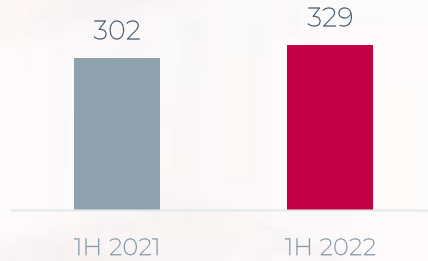
Higher workforce expenses

Extra push in Brand Campaigns

Continued investments in data & digital

Inflationary pressure on costs, but large part is growth driven

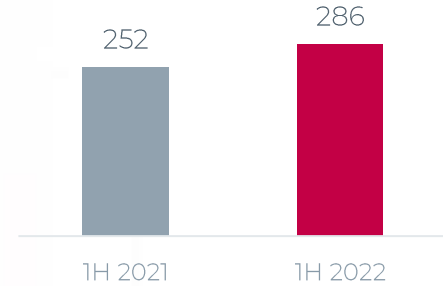
Staff expenses (m€)



+18 m€
Salary Mass
indexation

+166 avg FTE
Growth
of FTE

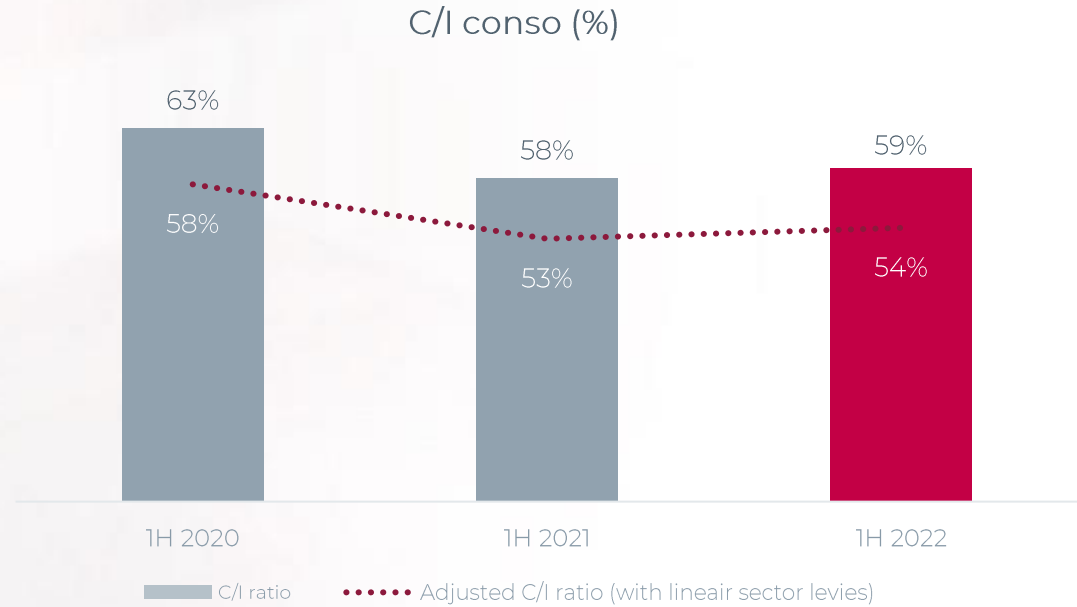
General expenses (m€)



+2 m€
External
workforce
indexation

+32 m€
Growth of
activities & other

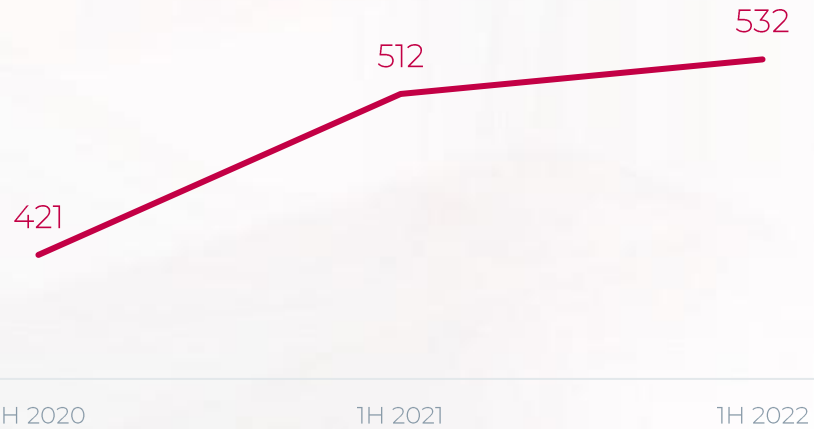
Resulting in a rather stable Cost-to-Income ratio



Healthy combination of flourishing commercial development and financial discipline

Sound risk and financial profile

Further growing Pre-provision Income (m€)



Cost of Risk and Impairments: Belfius' expected credit losses (ECL) are calculated in a 4-pillar approach, according to a waterfall principle*

Pillar 1

Stage 1 and 2 provisions are calculated in a mechanical mode, based on a view on the macroeconomic conditions, using 4 scenarios (neutral, optimistic, pessimistic and stress) with each their weight.

1H 2022

Update of the macroeconomic factors to reflect the impact of the second-round effects of the Covid-crisis (rising energy prices, inflation, rising interest rates,...) and of the Russian/Ukrainian conflict.

Pillars 2 and 3

If Belfius considers that certain risk pockets, defined in terms of sectors and counterparts with a potentially increased credit risk, are not sufficiently covered by the mechanical provisions, certain expert overlays are added to stage 1 and 2.

1H 2022

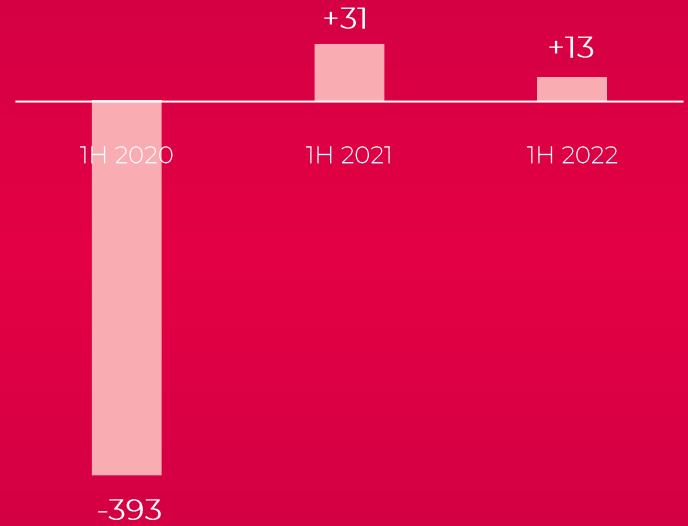
Adjustment of the expert overlays, by integrating the risks related to energy and inflation and to the Russian/Ukrainian conflict, while reducing the importance of the Covid-19 adjustments.

Pillar 4

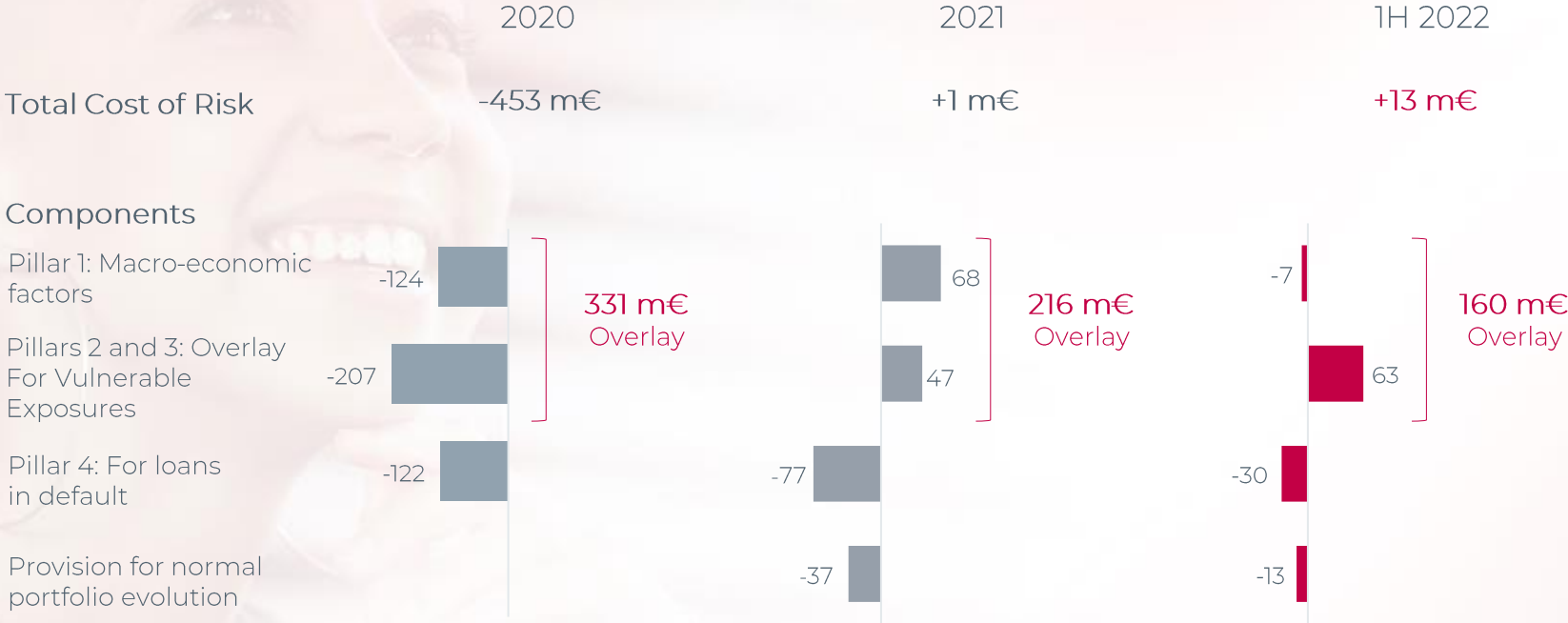
For counterparts in a default status (stage 3), the regular impairment process is run and specific provisions are calculated and booked.

Net reversal in cost
of risk

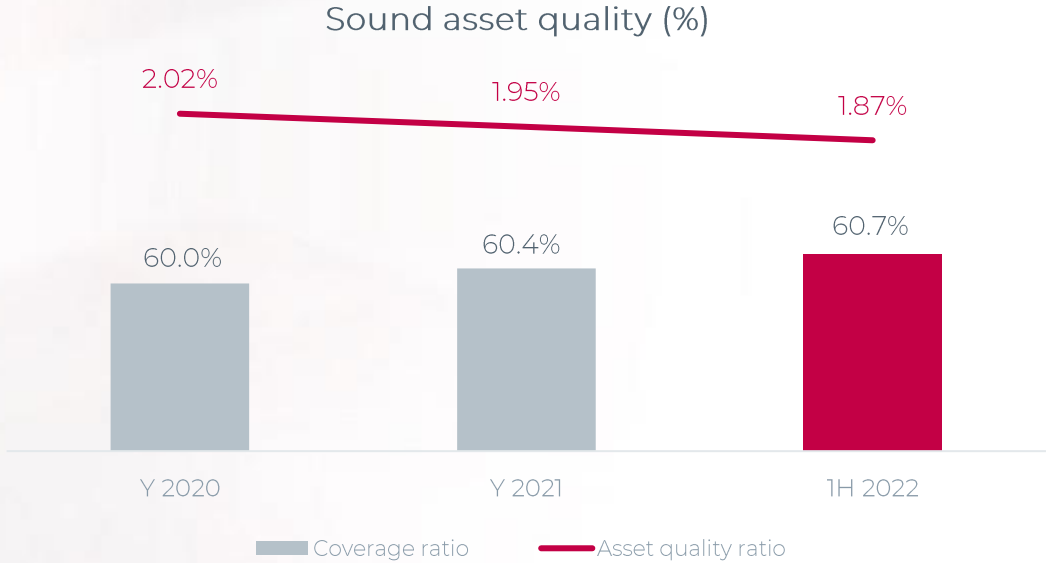
Positive Cost of risk (m€) like in 1H 2021



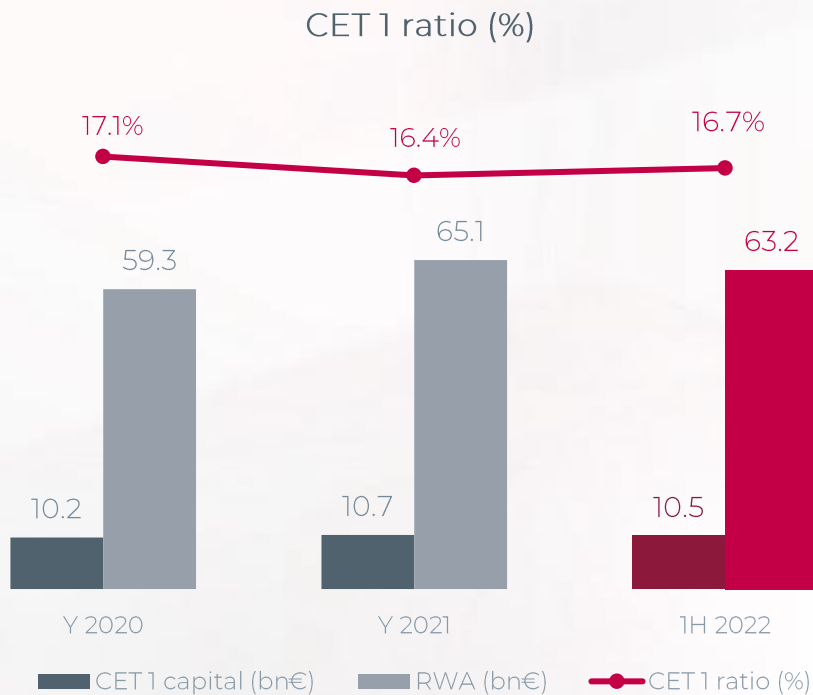
The Covid-19 buffer, built in 2020, has evolved to face further crisis impacts as the case might be



Asset quality improved despite the challenging context



Safeguarding our solidity



Sound risk and financial profile

MREL¹ of 29.5%

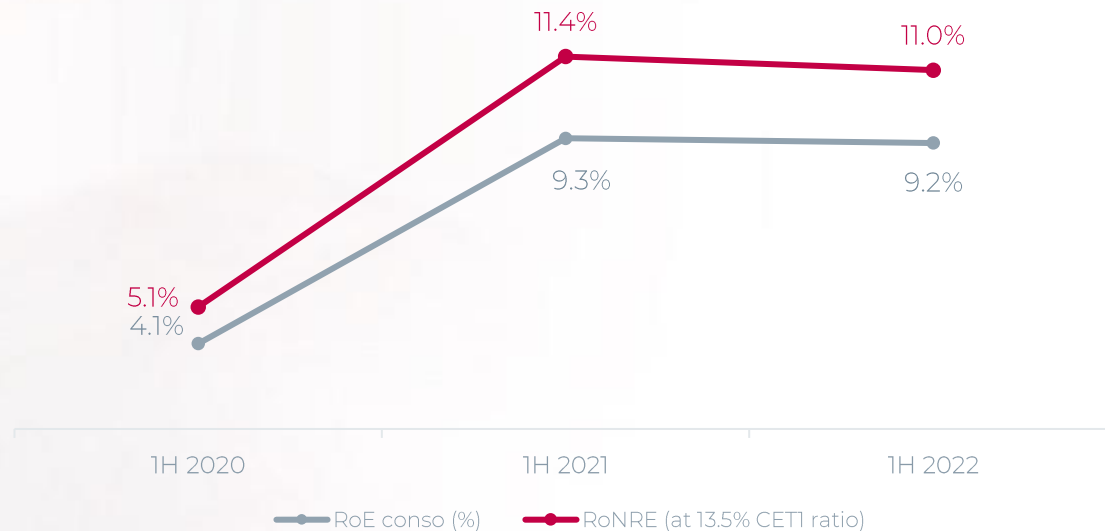
Min. SREP 9.97%²

Belins SII ratio of 215%³

1. MREL/RWA, min. MREL of 27.01%
2. Min. SREP FY 2021 9.64%
3. SII ratio after dividend

Return on Equity in line with 8% to 9% target

RoE conso and RoNRE* (%)



* Slight adjustment to RoNRE definition (13.5% RWA) = last 4 quarters Net Income / last 5 quarters rolling average RWA*13.5%



Thank you

Q&A

+32 2 403 58 16

PIN: 44996366#

or by chat

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