Belfius 2013 Results

Presentation to analysts and investors

March 2014

Information based on unaudited figures

Highlights

- **Strong performance** in 2013 with **EUR 445 m net income** group share
  - Net income of the bank stood at EUR 230 m, while the insurer contributed EUR 215 m
- **EUR 20 bn invested in Belgian economy** since 2012
- **Solid solvency and equity position**
  - Significant improvement of Core Tier 1 ratio: 15.4% (vs 13.3% end 2012)
  - Phased-in Basel III (CRR) Common Equity ratio (pro forma) at 13.5% as at 1 Jan. 2014
  - Fully-fledged Basel III (CRR) Common Equity ratio (pro forma) at 11.7% as at 31 Dec. 2013
  - Solvency II Belfius Insurance at 223%
- **Demonstrated track record** in tactical **de-risking**
  - EUR 7.5 bn tactical de-risking of Investment Portfolio since December 2011
- **Net Asset Value doubled to EUR 6.6 bn** since acquisition by the Federal Holding Investment Company (FHIC)

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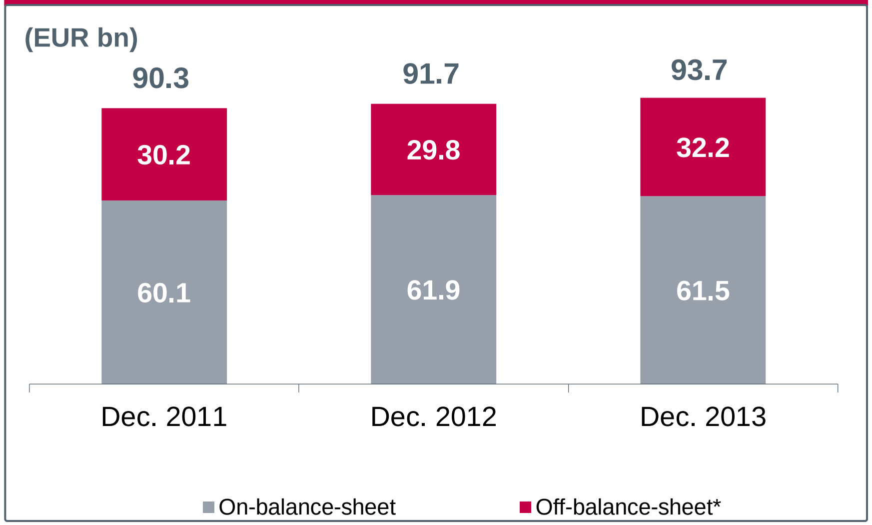
Part 1

STEADY COMMERCIAL ACTIVITIES

Steady commercial activities

Retail and Commercial Banking – Activity figures

Outstanding savings & investments



Outstanding loans

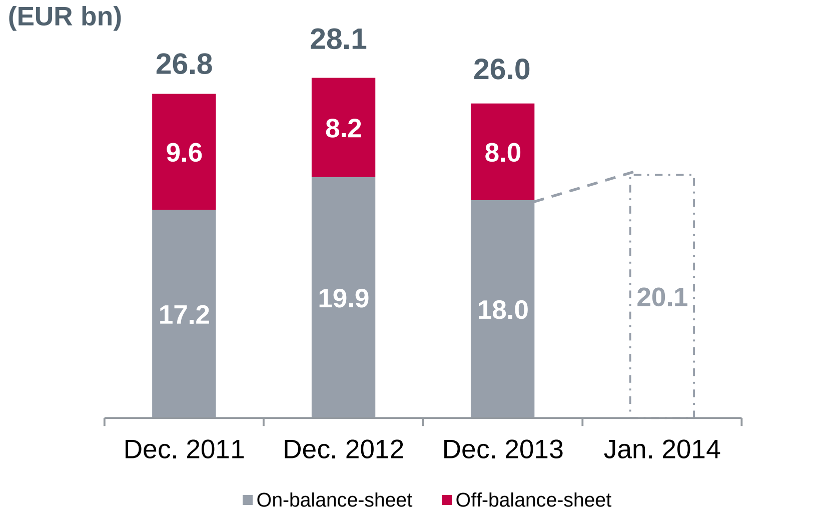
- Further demonstration of **stable and up & running franchise**
- Total assets under management stood at EUR 93.7 bn as at 31 Dec. 2013
  - On-balance-sheet funding decreased by EUR 0.4 bn, as (i) consumption picked up and (ii) low interest rates combined with higher tax rates resulted in less appetite for savings certificates and retail bonds, and further increase in savings accounts
  - Off-balance-sheet products increased by EUR 2.4 bn in 2013 following trend towards more mutual funds, mandates and Branch 44
- Outstanding loans remained roughly stable, both for business and mortgage loans

** Includes life insurance reserves*

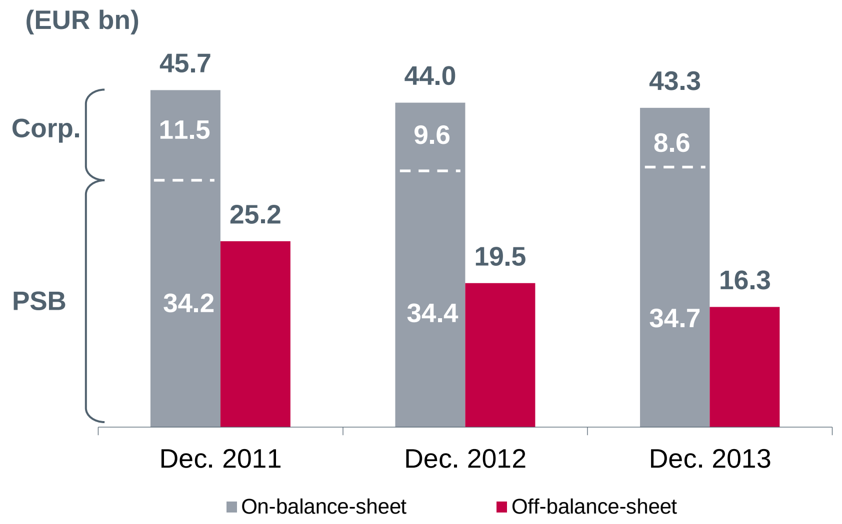
Steady commercial activities

Public and Wholesale Banking – Activity figures

Outstanding savings & investments



Outstanding loans & off-balance-sheet commitments



- Belfius remains the **preferred partner of Public & Social Profit sector in Belgium**
- Total assets under management stood at EUR 26 bn as at 31 December 2013.
  - To note : lower volume end of year in terms of AuM on B/S only due to seasonal outflow (only for few days) at the end of the year of federal social security related clients. In January 2014, those outflows came back
- Outstanding loans in public and social banking (PSB) slightly further increased, while outstandings in corporate banking decreased due to lower market demand and more selective approach
- Off B/S commitments still decreasing thanks to continuous clean-up of - for client and bank - non-valuable (unused) off B/S commitments

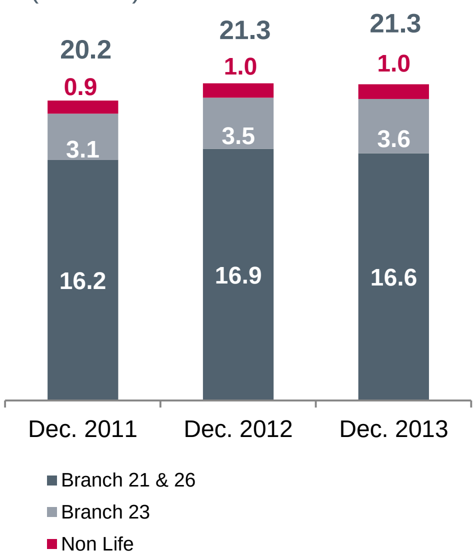
Steady commercial activities

Insurance – activity figures

Insurance reserves and gross written premiums

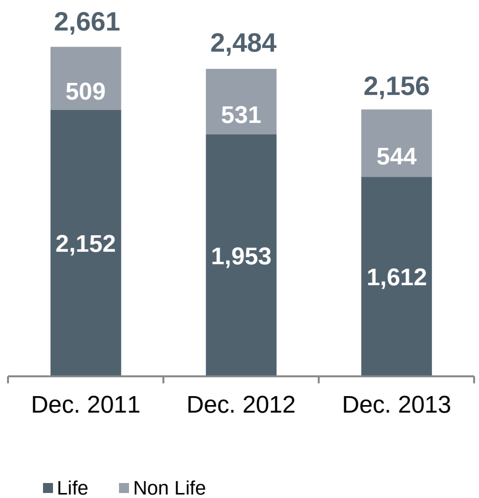
Insurance reserves

(EUR bn)



Gross written premiums

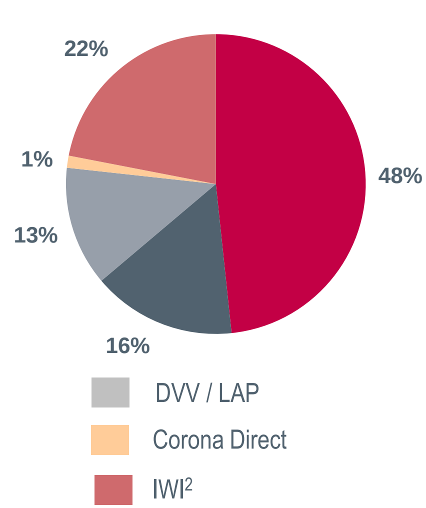
(EUR m)



Premium breakdown 2013

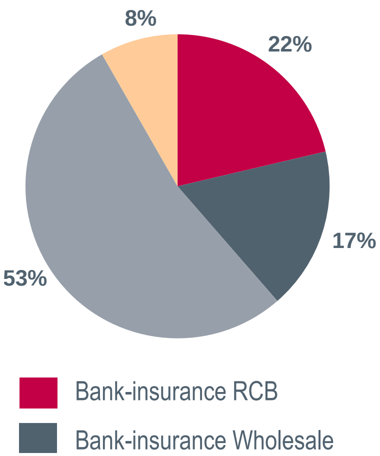
Life insurance

Total : EUR 1,612 m[1]



Non-Life insurance

Total : EUR 544 m[1]



- Life insurance written premiums were lower (-18%), due to low interest rate environment and tax increase on new premiums since January 1, 2013. To note: good success in banking-insurance for Branch 44 - production 2013: EUR 580 m
- Non-Life insurance premiums went up 2.5% in 2013 compared to 2012
- Capital allocation strategy focusing on production of Branch 23/44 & non-life products (cross selling potential) starts to show up in reserves profile

[1] Premiums collected in 2013 – excluding distribution of third party insurance products

[2] IWI : International Wealth Insurer

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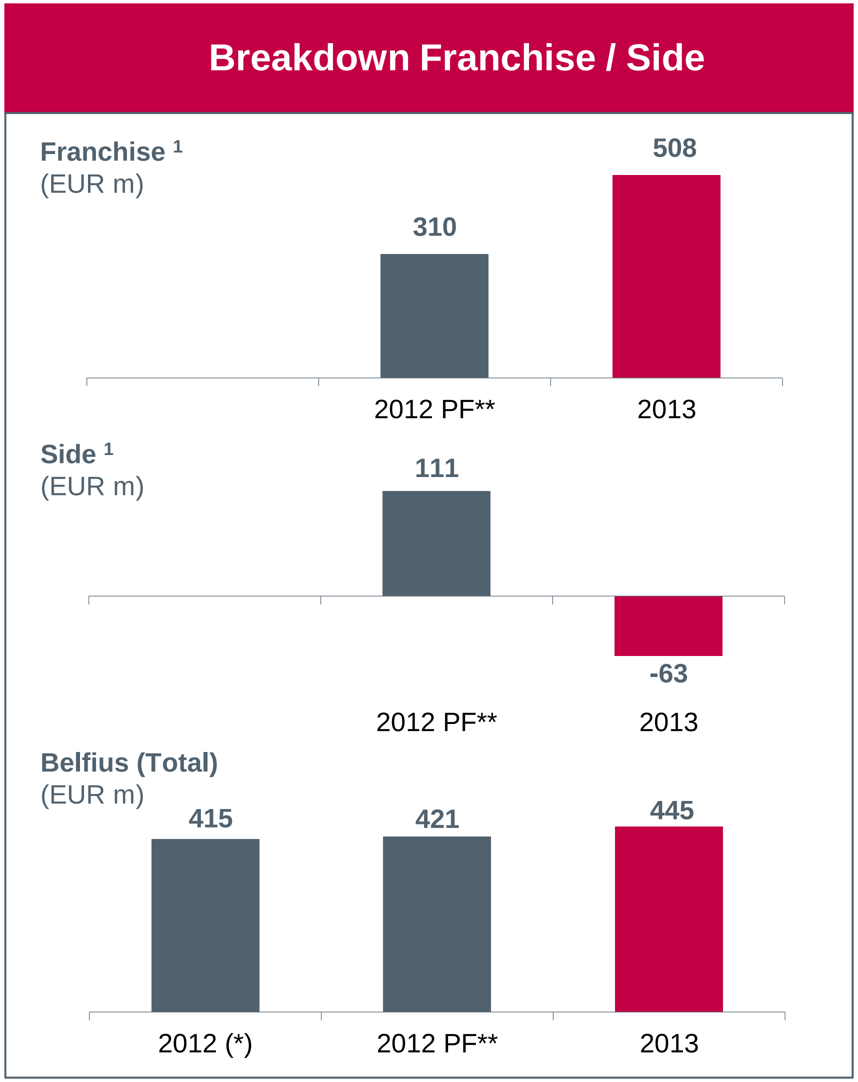
Part 2

SOLID FINANCIALS

Solid financials

Growing net income group share



- **Commercial franchise showing strongly improved net income** to EUR 508 m, up 63.9% compared to 2012
  - Nice increase of net fee income at bank level
  - Strong financial performance of insurance business
  - Strict cost control
  - Low impairment charges in business lines
- **Impact side activities** (managed in run-off) **well limited** at EUR -63 m
  - 2013 impacted by B/S decrease and further tactical de-risking
  - 2012 boosted by capital gains on buy-back, partially used for de-risking
- Steadily growing consolidated net income group share for Belfius, at EUR 445 m; up 5.7% compared to EUR 421 m in 2012**
  - Net income of the bank stood at EUR 230 m while the insurer contributed EUR 215 m

** As published ** PF: 2012 financial statements have been restated due to the implementation of the revised IAS19 as from January 1, 2013*
1 Franchise: RCB, PWB, Insurance and Group Center; Side: Legacy portfolios, Dexia and other run-off activities

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Solid financials

Focus on consolidated statement of income

(EUR m)	2012 PF	2013	Evolution
Income	**2,458**	**1,834**	**-25.4%**
Of which			
Net interest income	*2,123*	*1,917*	*-9.7%*
Net fee and commission income	*314*	*375*	*19.2%*
Net income on investments	*587*	*155*	*-73.7%*
Expenses	**-1,585**	**-1,424**	**-10.1%**
Gross operating income	**874**	**410**	**-53.1%**
Cost of risk	-268	109	n.s.
Impairments on (in)tangible assets	0	-1	n.s.
Pre-tax income	**606**	**518**	**-14.6%**
Tax expenses	-184	-73	-60.4%
Net income after taxes	**422**	**445**	**5.5%**
Non-controlling interests	1	0	n.s.
Net income group share	**421**	**445**	**5.6%**
Of which			
Franchise activities	*310*	*508*	*63.9%*
Side activities	*111*	*-63*	*n.s.*

PF: 2012 financial statements have been restated due to the implementation of the revised IAS19 as from 1 January 2013

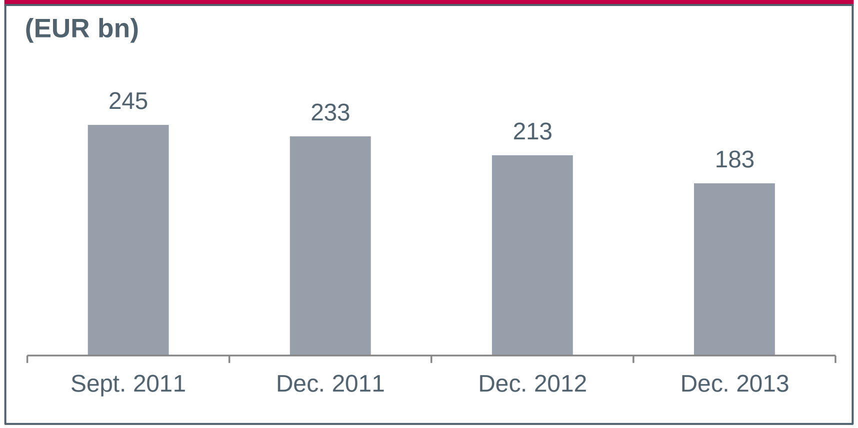
Note that 2012 was strongly impacted by various one-off items (o.a. buy backs of subordinated debt and tactical de-risking)

- 2013 income at EUR 1,834 m
  - Interest income lower due to the B/S decrease under the tactical de-risking, the improved liquidity profile and the low interest rate environment. However underlying interest margin on commercial book is steadily improving
  - Net fee income increased as a result of higher off-balance investments by clients and growth in mandates
  - Positive net income on investments also due to the repurchase of profit-sharing certificates (capital gain of EUR 61 m in 1H 2013)
- Operating expenses decreased thanks to impacts of cost reduction plan of the bank
- Positive contribution from cost of risk due to continuing low impairment charges in business lines and reversals of historical provisions, mainly in Side

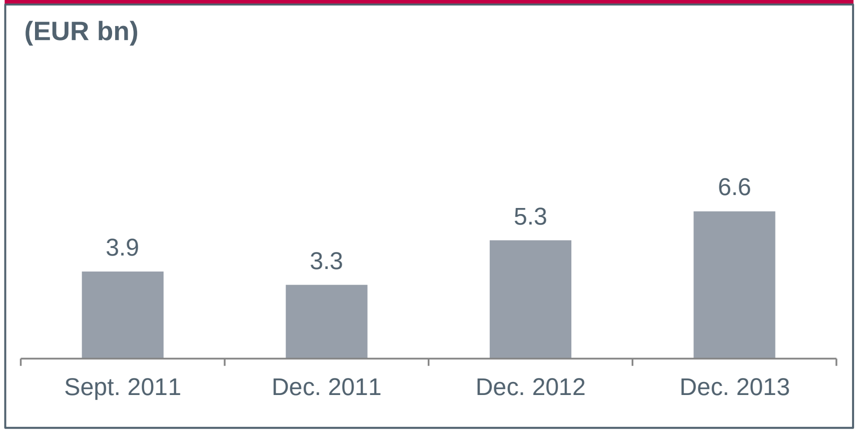
Solid financials

Decreasing consolidated balance sheet, increasing NAV

Balance sheet



Net asset value



- **Balance sheet**
  - Total balance sheet decreased in 2013 further to EUR 183 bn, mainly due to reduced funding given to Dexia-entities (*), further de-risking of Side and impact of interest rate movements (decrease of the fair value of derivatives and of collateral posted due to slightly higher interest rates)
- **Net asset value**
  - Total shareholders' equity doubled since December 2011, thanks to
    - EUR 0.9 bn accumulated profit included in the reserves since 2012
    - an improvement of the unrealized net losses reflected in the negative OCI reserves by EUR 2.4 bn since December 2011, due to the excellent tactical de-risking traject and positive market evolutions

** As at 31 December 2013, total funding to Dexia amounted to EUR 13.5 bn, of which EUR 13.4 bn GGB (Government Guaranteed Bonds)*

Solid financials

Strongly growing Franchise results

(EUR m)	2012	2013	Evolution
Income	**1,969**	**2,022**	**2.7%**
Expenses	**-1,564**	**-1,403**	**-10.3%**
Gross operating income	**405**	**620**	**52.9%**
Cost of risk	-61	-58	-5.0%
Impairments on (in)tangible assets	0	-1	n.s.
Pre-tax income	**344**	**561**	**62.8%**
Tax expenses	-33	-53	58.8%
Non-controlling interests	1	0	n.s.
Net income group share	**310**	**508**	**63.9%**

- 2013 income higher than 2012 thanks to
  - Steadily improving interest margin on commercial books
  - Increase in fee income in line with increased client interest in off-balance-sheet products
  - Some capital gains in Group Center (profit shares, buildings)

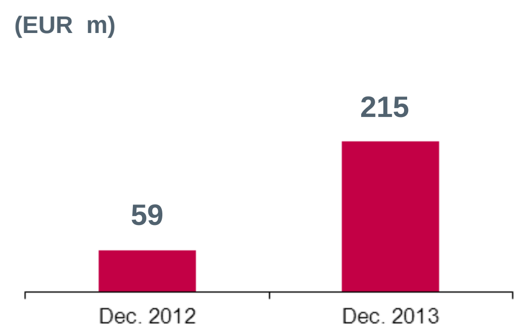
  partially off set by
  - Higher costs for the deposit guarantee system & other fiscal contributions
  - Prudent additional CVA provision on non-collateralized derivatives with customers
- Expenses decreased in line with bank-wide cost control programme
- Cost of risk in line with 2012
- As a result, 2013 net income Franchise amounted to EUR 508 m

Solid financials

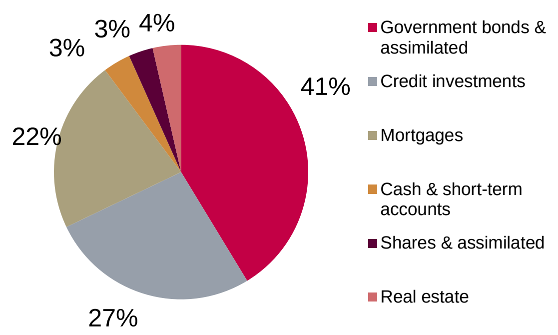
Focus on Belfius Insurance

Strong net profit	Diversified asset allocation (*)	Key ratio's (*)

Strong net profit



Diversified asset allocation (*)



Key ratio's (*)

Cost/outstanding ratio Life : 0.3%

Cost/premium ratio Non-Life : 18.8%

Economic combined ratio : 98.7%

Customer satisfaction : 95%

- Integrated bank-insurance approach bearing its fruits
  - Net profit stood at EUR 215 m
- Prudent investment strategy of the asset portfolio
  - Well-diversified asset allocation
  - Financial return on average life outstanding > 4%
- Most efficient insurer on the Belgian market enjoying high customer satisfaction

** As at 31 December 2013*

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Solid financials

Well-controlled Side results

(EUR m)	2012	2013
Income	**489**	**-188**
Expenses	**-21**	**-22**
Gross operating income	**468**	**-210**
Cost of risk	-207	167
Impairments on (in)tangible assets	0	0
Pre-tax income	**262**	**-43**
Tax expenses	-150	-20
Non-controlling interests	0	0
Net income group share	**111**	**-63**

- Income
  - Income 2013 mainly impacted by B/S decrease (lower outstanding volumes) under the tactical de-risking programme and by one-off's items such as refined CVA provisions
  - To note : Income 2012 was also driven by capital gains on buy-backs of subordinated debt and tactical de-risking
- Cost of risk
  - Cost of risk 2013 positively impacted by reversal of historical provisions on legacy items at time of sale / de-risking
  - To note : Cost of risk 2012 was negatively impacted by prudent one-off additional provisions on legacy items
- As a result, 2013 net income Side amounted to EUR - 63 m

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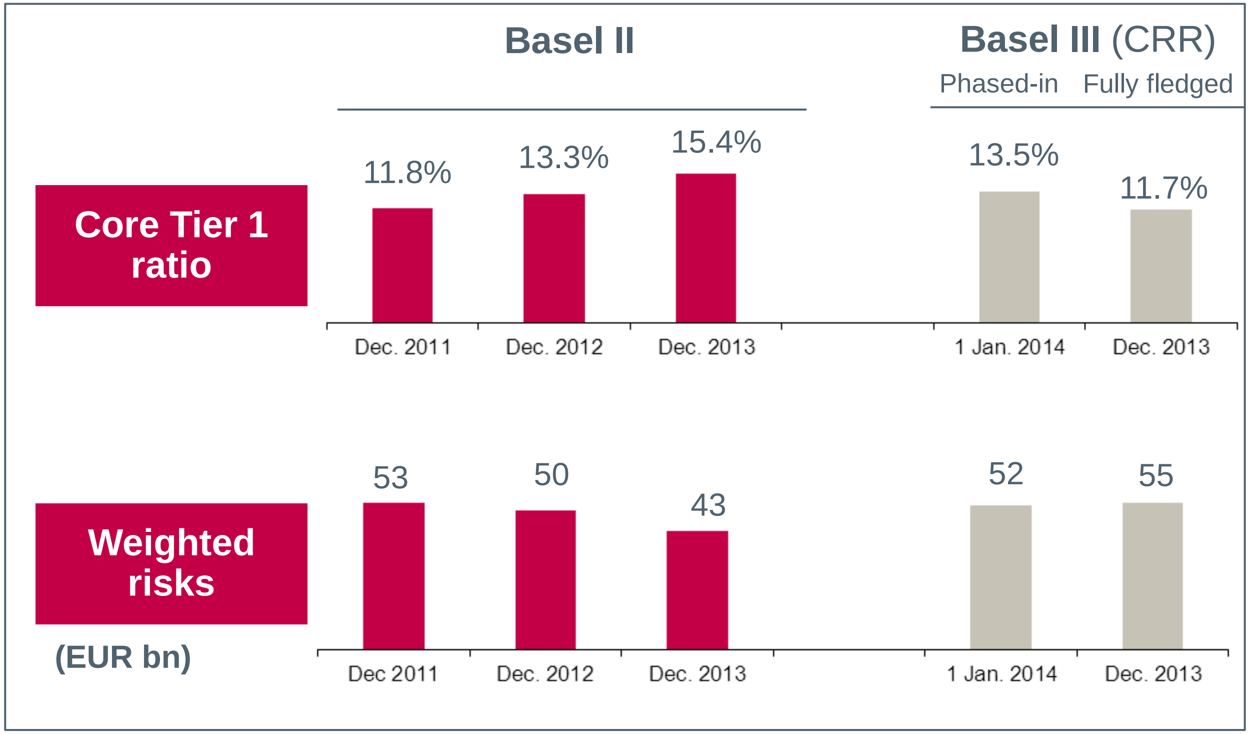
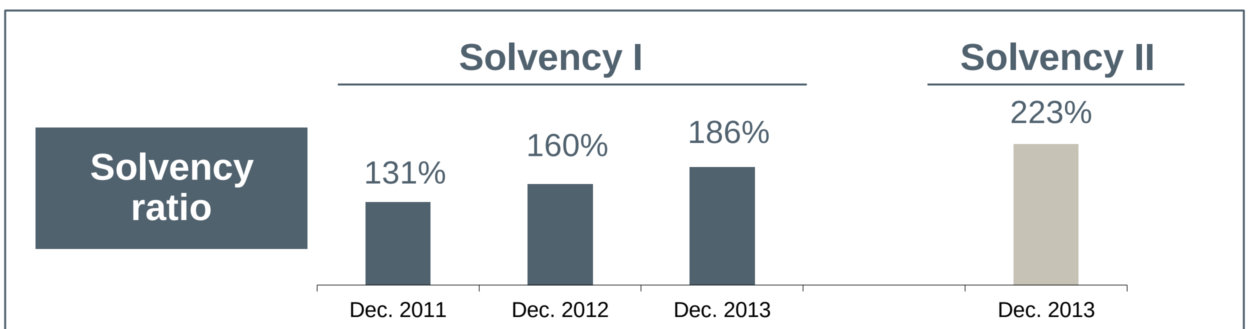
Strong solvency position





- **Basel II Core Tier 1 ratio further improved to 15.4%,** even despite the change in treatment for the participation in Belfius Insurance (*)
- **Strong decrease (-14.9%) of weighted risks** mainly due to tactical de-risking

- **Phased-in (**) Basel III (CRR) Common Equity ratio pro forma at 13.5%** as at 1 January 2014
- **Fully-fledged (**) Basel III (CRR) Common Equity ratio pro forma at 11.7%** as at 31 December 2013

- **Further improvement of Solvency I ratio**, mostly as a result of very good results of Belfius Insurance
- **Solvency II ratio amounted to 223%**

* *As from 1 January 2013, 50% deduction from Tier 1 and 50% from Tier 2 capital, against 100% deduction from Tier 2 capital in the past*

** *According to method NBB : (i) Danish compromise and (ii) prudential filter negative AFS reserve on sovereign portfolio for up to 5% of such portfolio*

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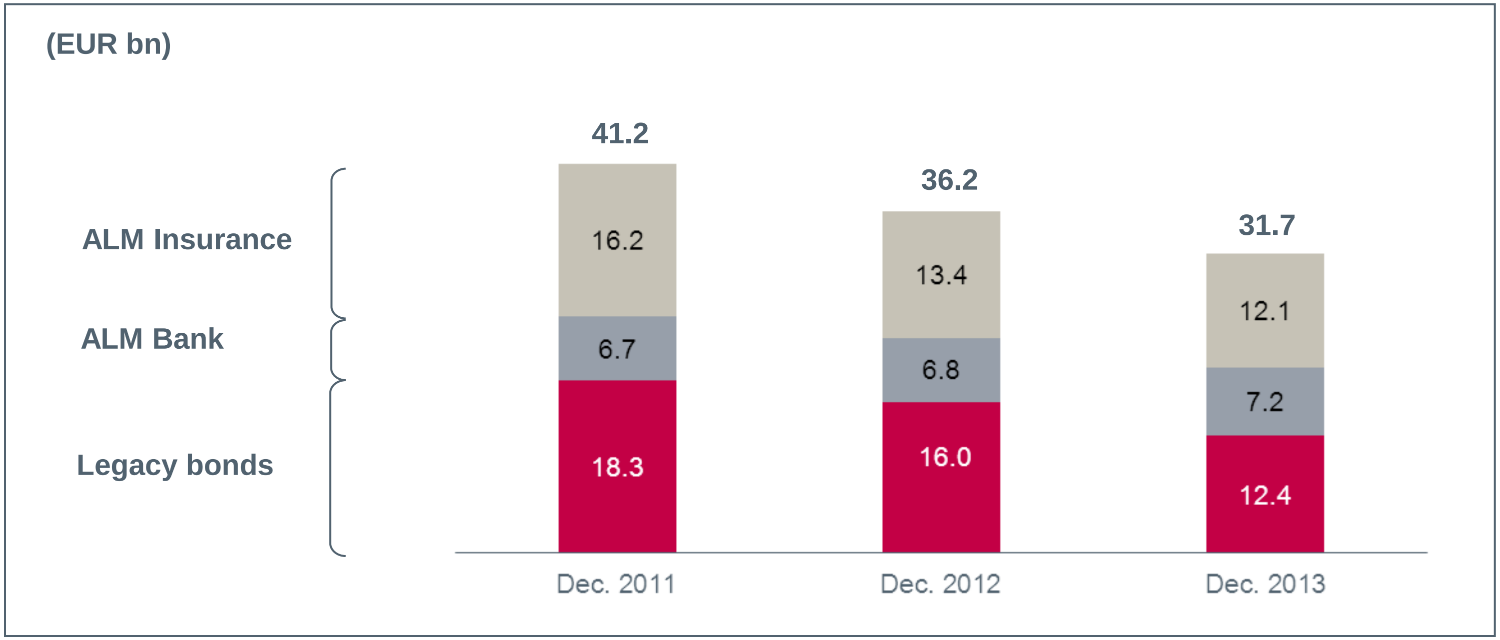
Part 3

CONTINUOUSLY IMPROVING RISK PROFILE

Continuously improving risk profile

Decreasing investment portfolio



- Total investment portfolio consists of three parts: the former Legacy bond portfolio, the ALM Bank portfolio and the ALM Insurance portfolio
- Investment portfolio stood at EUR 31.7 bn as at 31 December 2013, a decrease of EUR 4.5 bn vs 2012, mainly due to
  - natural amortization of EUR 1.6 bn
  - further tactical de-risking of EUR 3.4 bn, of which EUR 2.7 bn for the bank and EUR 0.7 bn for the insurer
- Since December 2011, the investment portfolio decreased by 23% (EUR 9.5 bn), of which EUR 7.5 bn due to tactical de-risking

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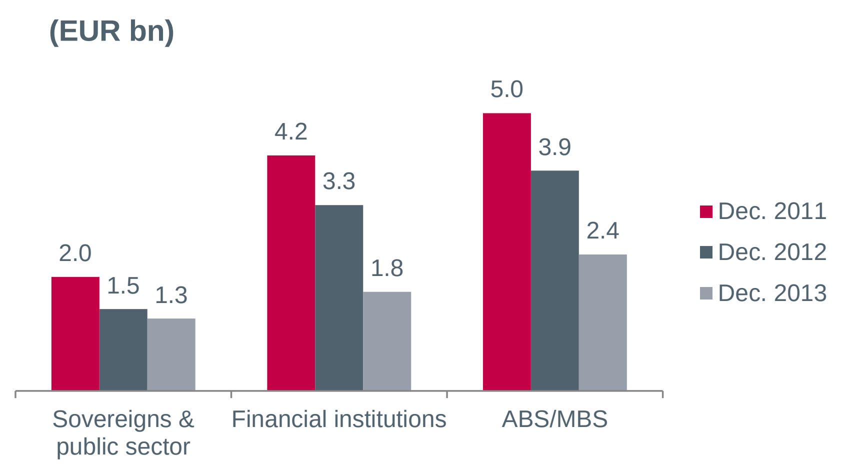
Continuously improving risk profile

Tactical de-risking in Legacy bond portfolio

Tactical de-risking focus



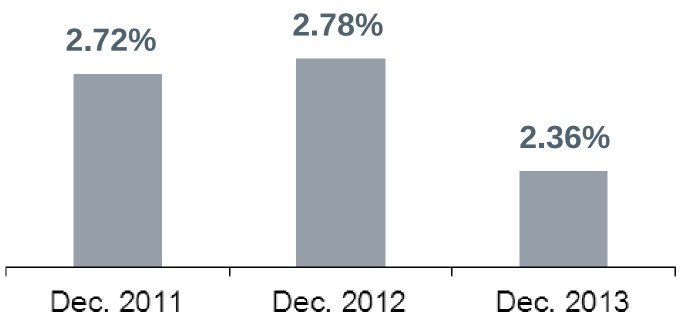
Breakdown by rating 2013

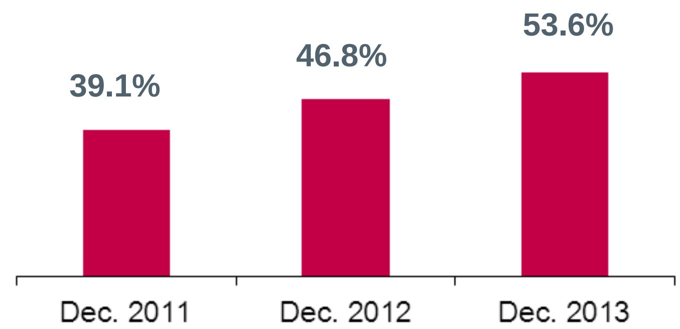
- **Since 2011, the Legacy bond portfolio has decreased by 32% or EUR 5.9 bn** of which two-third due to tactical de-risking and one third of natural amortizations
- Over the last two years, the tactical de-risking has been mainly executed in the asset categories financial institutions (-58%), asset-backed securities (-50%) and international sovereigns & public sector (-42%)
- Legacy bond portfolio remains of good credit quality (92% IG)

Continuously improving risk profile

Asset quality

Asset quality ratio	Coverage ratio
$\frac{\text{Impaired loans and advances to customers}}{\text{Loans and advances to customers (gross)}}$	$\frac{\text{Specific Impairments}}{\text{Impaired loans and advances to customers}}$





- Despite still challenging economic environment, **asset quality ratio further improved**
- Since 2011, the bank moreover **increased its coverage ratio**

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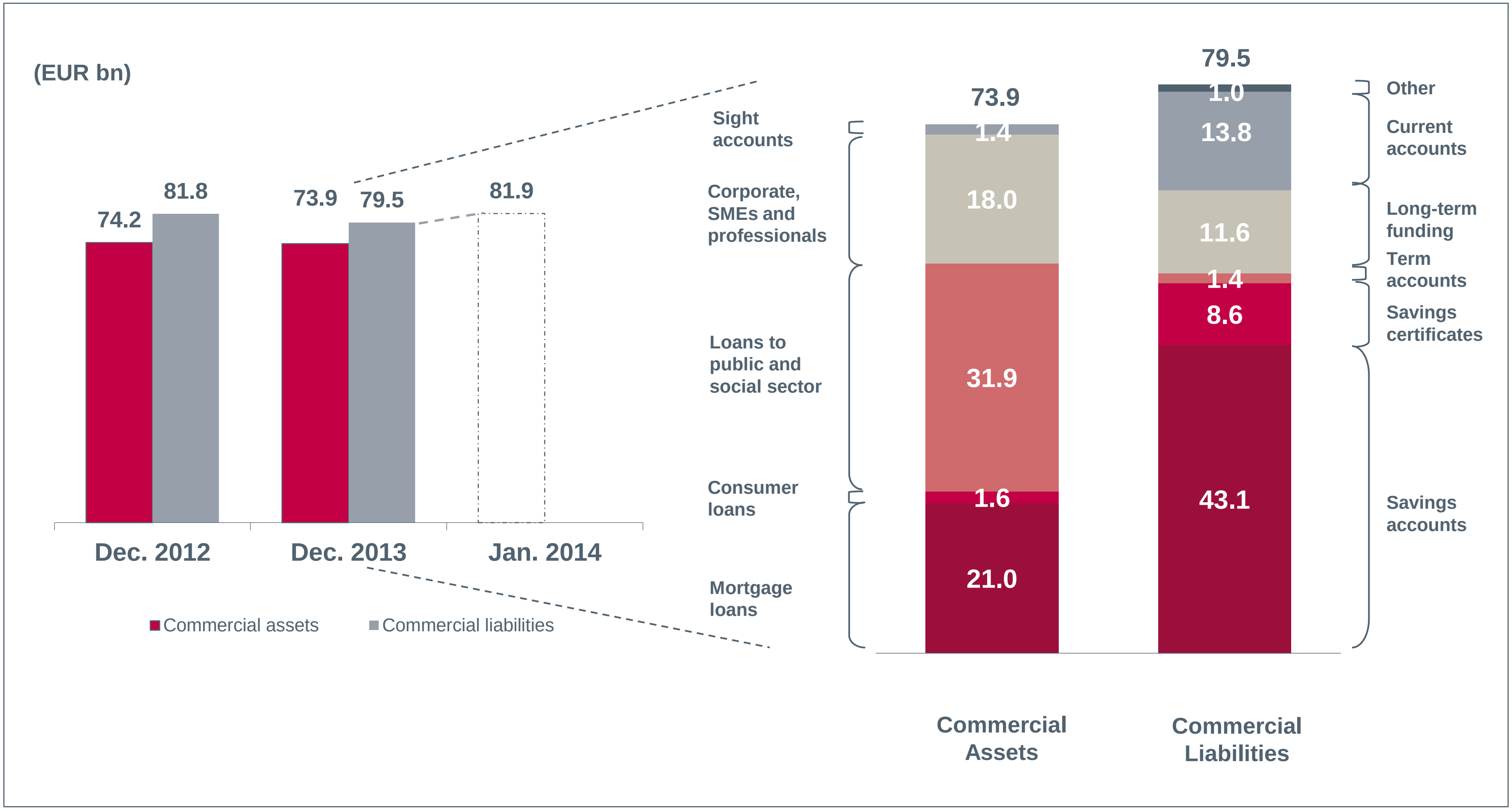
Part 4

DIVERSIFIED FUNDING

Diversified funding

Belfius Bank: Commercial balance sheet



- The **commercial balance sheet is stable** and shows a same level of excess of funding as at the end of 2012
- Loan-to-deposit ratio still at a very sound level of 93%

Diversified funding

Continue to tap different funding sources

- Belfius Bank is **further executing and developing different stable funding sources**
  - RCB and PWB deposits, insurance reserves
  - Belfius bond issues for RCB clients
  - Public benchmark issues in senior unsecured and covered bonds instruments
  - Institutional private senior unsecured issues (short term and long term)
  - Belgian covered bond private issues

- **A clear institutional funding strategy**, climbing up the ladder of "juniority"
  - After the launch of 4 successful benchmark transactions in Belfius Mortgage Pandbrieven since November 2012, Belfius Bank is now a well known new issuer in the institutional market
  - A further step in the development of the different funding sources was taken with the inaugural senior unsecured benchmark issue in 2013
  - Belfius Bank will pursue this diversification strategy of its funding and its investor base
    - Issuance of benchmark Belgian covered bond issues combined with private placements
    - Issuance of senior unsecured benchmark issues combined with private placements
    - Active issuer under the ECP and CD programmes in the short-term funding market and under the EMTN and Mortgage Pandbrieven programmes in the long-term funding market
    - Different issuing programmes are now available, as well as stand-alone documentation such as specific German formats e.g. Schuldschein, Namensschuldverschreibung (N-Bonds)
    - Further developing new funding programmes, i.e. set-up of Public Sector covered bond programme and cooperation with EIB on financing programmes, etc.

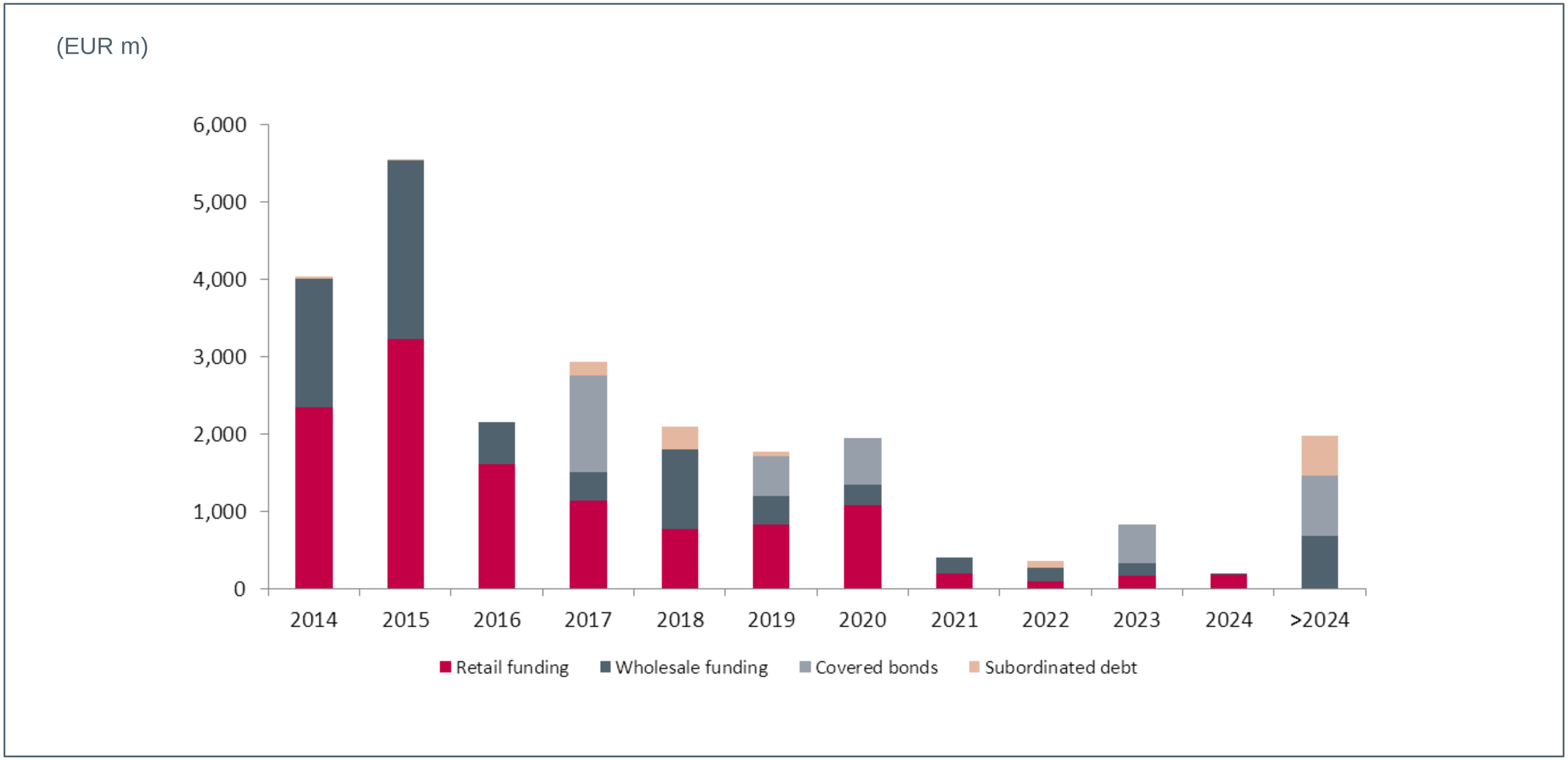
Diversified funding

Belfius various issuing programmes

	Outstanding (End February 2014)	Issuer	Listing
Belfius Euro Commercial Paper Programme (Institutional)	EUR 991 m	Belfius Financing Company with 100% guarantee of Belfius Bank	Not listed
Belfius CD Programme (Institutional)	EUR 1.2 bn	Belfius Bank	Not listed
Belfius Mortgage Pandbrieven Programme (Institutional)	EUR 3.6 bn	Belfius Bank	Euronext Brussels
EMTN Programme (Institutional)	EUR 3.2 bn	Belfius Bank	Luxembourg Stock Exchange
Belfius Notes Issuance Programme (Retail)	EUR 10.5 bn	Belfius Bank, Belfius Funding and Belfius Financing Company with 100% guarantee of Belfius Bank	Not listed

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

(*) As at 28 February 2014

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Belfius Ambition 2016

Sound position creates opportunity to move forward with ambitions

Financial 2016	▪ Net income group share > EUR 500m ▪ Basel III (CRR) Common Equity ratio (phased in) > 13% ▪ Solvency II ratio 160 - 200% ▪ Substantial improvement of Cost-income ratio ▪ Create shareholder value

Societal 2016	▪ EUR 30 bn invested in Belgian economy over 3 years (2014-2016)
	▪ Customer satisfaction ≥ 95%
	  ▪ Average number of banking & insurance products per active customer > 5 for individuals
	  ▪ Capitalize on our strong client intimacy in Public & Social sector
	  ▪ Pursuing a profitable growth in corporate sector dealing with the government (B2G), based on our unmatched expertise

Wrap up

- **Belfius is a 100% Belgian large fully integrated bank-insurer,** active over the whole country

- **2013: Strong performance** and **solid solvency & equity position**
  - Net income of EUR 445m
  - Significant improvement of Core Tier 1 ratio: 15.4%
  - Fully-fledged Basel III (CRR) Common Equity ratio (pro forma) at 11.7% as at 31 Dec. 2013
  - Solvency II Belfius Insurance at 223%

- **Net Asset Value doubled to EUR 6.6 bn** since acquisition by the FHIC

- **Belfius 2016 will target:**
  - A sound, sustainable bank-insurer with the highest commitment to society
  - The most customer centric bank-insurer through
    - customer satisfaction &
    - Operational efficiency geared towards customers
  - A continued high level of expertise in finance and risk

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Appendix 1

Income/net income by business line

(EUR m)	2012 PF	2013
Income	**2,458**	**1,834**
Of which		
Franchise activities	**1,969**	**2,022**
Retail and Commercial Banking	*1,322*	*1,151*
Public and Wholesale Banking	*333*	*311*
Insurance	*270*	*434*
Group Center	*45*	*126*
Side activities	**489**	**-188**

(EUR m)	2012 PF	2013
Net income group share	**421**	**445**
Of which		
Franchise activities	**310**	**508**
Retail and Commercial Banking	*170*	*47*
Public and Wholesale Banking	*80*	*77*
Insurance	*59*	*215*
Group Center	*1*	*169*
Side activities	**111**	**-63**

PF: 2012 financial statements have been restated due to the implementation of the revised IAS19 as from January 2013

Appendix 2

Retail and Commercial Banking – Results

(EUR m)	2012	2013	Evolution
Income	**1,322**	**1,151**	**-12.9%**
Expenses	**-1,020**	**-990**	**-2.9%**
Gross operating income	**302**	**160**	**-46.8%**
Cost of risk	-47	-89	87.2%
Impairments on (in)tangible assets	0	-1	n.s.
Pre-tax income	**255**	**71**	**-72.1%**
Tax expenses	-85	-24	-72.2%
Non-controlling interests	0	0	n.s.
Net income group share	**170**	**47**	**-72.1%**

- 2013 income at EUR 1,151 m, down 12.9%
  - Interest income under pressure due to low interest rate environment
  - Fee income up 17% in line with increased client interest in off-balance-sheet products
  - Higher costs for the deposit guarantee system & other fiscal contributions
- Expenses decreased by 3% and remained well under control
- Cost of risk still below “historical” levels, but higher than 2012 due to increase of specific provisions on some business segments and IBNR on mortgages
- As a result, net income group share amounted to EUR 47 m

Appendix 3

Public and Wholesale Banking – Results

(EUR m)	2012	2013	Evolution
Income	**333**	**311**	**-6.4%**
Expenses	**-199**	**-193**	**-2.7%**
Gross operating income	**134**	**118**	**-12.0%**
Cost of risk	-10	9	n.s.
Impairments on (in)tangible assets	0	0	n.s.
Pre-tax income	**124**	**127**	**2.7%**
Tax expenses	-43	-50	15.4%
Non-controlling interests	0	0	n.s.
Net income group share	**80**	**77**	**-4.2%**

- 2013 income at EUR 311 m, down 6.4%
  - Commercial franchise remains strong, income on long-term loans increased by 8%
  - Decrease of total income mainly due to refined CVA provision on non-collateralized derivatives with customers
- Expenses decreased by 3% and remained well under control
- Cost of risk has positive contribution also thanks to high reversals of impairments
- As a result, 2013 net income group share amounted to EUR 77 m

Appendix 4

Insurance – Results

(EUR m)	2012	2013	Evolution
Income	**270**	**434**	**60.9%**
Expenses	**-178**	**-209**	**17.5%**
Gross operating income	**92**	**225**	**x 2.4**
Cost of risk	-13	17	n.s.
Impairments on (in)tangible assets	0	0	n.s.
Pre-tax income	**79**	**242**	**x 3.1**
Tax expenses	-19	-27	43.6%
Non-controlling interests	1	0	n.s.
Net income group share	**59**	**215**	**x 3.6**

- 2013 income at EUR 434 m, up 61% due to
  - Better operational results in Non-Life & recovery of claims
  - Realized capital gains and reversal of impairments versus de-risking losses in 2012

  partially offset by
  - Upfront investment cost for bank-insurance strategy
- Expenses increased in line with implementation of strategic plan 2013-2016
- Cost of risk was positively impacted by reversals of impairments
- As a result, 2013 net income group share amounted to EUR 215 m or 3.6 times the 2012 profit

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Appendix 5

Consolidated balance sheet – Assets

(EUR m)	31/12/2012 as published	31/12/2012 PF	31/12/2013	Evolution 31/12/2013 31/12/2012 PF
Loans and advances	**132,730**	**132,730**	**119,291**	**-13,439**
To banks and central banks	*43,244*	*43,244*	*31,569*	*-11,675*
To customers	*89,486*	*89,486*	*87,722*	*-1,764*
Portfolios	**36,681**	**36,681**	**33,586**	**-3,095**
Financial assets at FV through P&L	*5,078*	*5,078*	*5,512*	*434*
Financial investments (AFS)	*31,603*	*31,603*	*28,074*	*-3,529*
Derivatives	**35,235**	**35,235**	**23,190**	**-12,045**
Other	**8,301**	**8,311**	**6,710**	**-1,601**
Total assets	**212,947**	**212,957**	**182,777**	**-30,180**

- The reduction of assets with EUR 30.2 bn *(or -14.2%)* is a combination of
  - a decrease of loans and advances (EUR 11.7 bn) mainly due to reduced funding granted to Dexia (EUR 6.6 bn) and a decrease of collateral (EUR 4.5 bn)
  - a decrease (EUR 1.7 bn) of loans to customers mainly due to de-risking (EUR 1 bn), a decrease of collateral (EUR 1.1 bn), partially offset by an increase of loans (EUR 0.4 bn) to (franchise) customers
  - a decrease (EUR 3.1 bn) of portfolios mainly due to de-risking at Belfius Bank
  - a decrease (EUR 12 bn) of the fair value of derivatives due to interest rate increase

PF: 31 December 2012 financial statements have been restated due to the implementation of the revised IAS19 as from January 2013

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Appendix 6

Consolidated balance sheet – Liabilities without equity

(EUR m)	31/12/2012 as published	31/12/2012 PF	31/12/2013	Evolution 31/12/2013 31/12/2012 PF
Deposits	**107,089**	**107,089**	**90,861**	**-16,228**
Banks and central banks	*40,440*	*40,440*	*29,236*	*-11,204*
Customers	*66,649*	*66,649*	*61,625*	*-5,024*
Debt securities	**37,942**	**37,942**	**36,538**	**-1,404**
Debt securities	*26,439*	*26,439*	*27,184*	*745*
Debt securities at FV through P&L	*10,463*	*10,463*	*8,461*	*-2,002*
Subordinated Debt	*1,040*	*1,040*	*893*	*-147*
Derivatives	**41,766**	**41,766**	**28,602**	**-13,164**
Provisions	**18,527**	**18,557**	**18,103**	**-454**
Other	**2,264**	**2,264**	**2,052**	**-212**
Total liabilities	**207,588**	**207,618**	**176,156**	***-31,462***

- The decrease of liabilities with EUR 31.5 bn *(or -15.2%)* is a combination of
  - a decrease (EUR 11.2 bn) of deposits from banks and central banks, mainly LTRO
  - a decrease of customer borrowings (EUR 5 bn), dominated by a sharp reduction of repo financing (EUR 6 bn), partially offset by an increase of deposits from customers
  - a decrease of debt securities (EUR 1.4 bn) whereby the new covered bond & CD issuance was offset by issues coming to maturity
  - a decrease (EUR 13.1 bn) of the fair value of derivatives due to interest rate increase

PF: 31 December 2012 financial statements have been restated due to the implementation of the revised IAS19 as from January 2013

Appendix 7

Consolidated balance sheet – Accounting equity

(EUR m)	31/12/2012 as published		31/12/2012 PF	31/12/2013	Evolution 31/12/2013 31/12/2012 PF
Core shareholders' equity	**7,006**	(1)	**6,901**	**7,343**	**442**
Subscribed capital + additional paid in capital	*3,667*		*3,667*	*3,667*	*0*
Reserves + retained earnings	*2,924*	(1)	*2,813*	*3,231*	*418*
Net income for the period	*415*	(1)	*421*	*445*	*24*
Gains and losses not recognised in the statement of income	**-1,666**	(2)	**-1,581**	**-738**	**843**
Reserve AFS (Available for Sale)	*-1,629*		*-1,629*	*-869*	*760*
Reserve CFH (Cash flowhedge) + other	*-37*		*-38*	*1*	*39*
Remeasurement of Defined Benefit plan	*0*	(2)	*86*	*130*	*44*
Discretionary participation features	*0*		*0*	*0*	*0*
Total shareholders' equity	**5,340**	(3)	**5,320**	**6,605**	**1,285**
Other	**19**		**19**	**16**	**-3**
Total equity	**5,359**	(3)	**5,339**	**6,621**	**1,282**

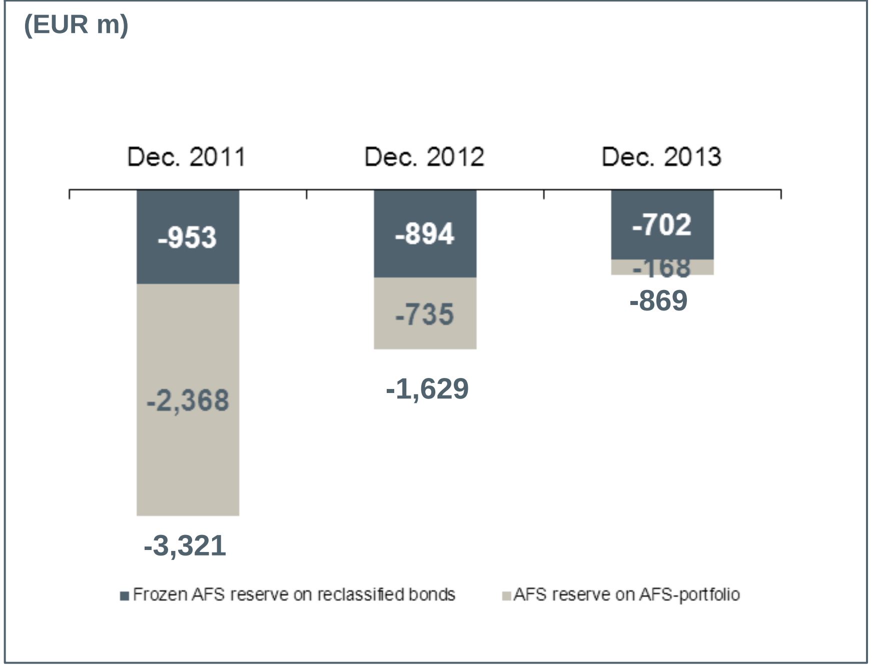
(1) The FTA of IAS 19R resulted in a decrease of Core shareholders' equity
(2) IAS 19R required the recognition of the remeasurement of Defined Benefit Plan
(3) The FTA of IAS 19R resulted in a decrease of total (shareholders') equity

- The increase of total equity in 2013 with EUR 1.3 bn is due to
  - the net profit of EUR 445 m reported in 2013, reinforced by
  - the halving of the negative AFS reserve, due to the impact of tactical de-risking and positive market evolutions
- Since 2011, total shareholders' equity has more than doubled from EUR 3.3 bn to EUR 6.6 bn

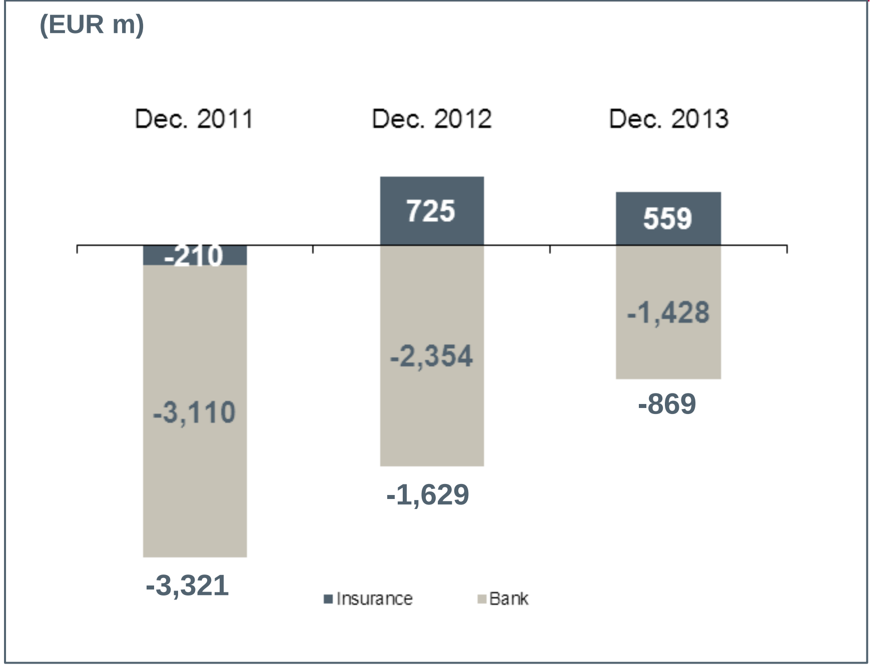
Appendix 8

Focus on AFS reserve*

Breakdown AFS / Frozen AFS



Breakdown Bank / Insurance



- Total AFS reserve stood at EUR -0.9 bn as at December 2013, a strong improvement with EUR 0.8 bn since December 2012, due to the impact of tactical de-risking and the positive market evolutions
- Since 2011, the AFS reserve has decreased with EUR 2.5 bn or - 74%

(*) After tax

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Appendix 9

Focus on regulatory equity

(EUR m)	31/12/2012 as published		31/12/2012 PF	31/12/2013	Evolution 31/12/2013 31/12/2012 PF
Core shareholders' equity	**7,006**	***(1)***	**6,901**	**7,343**	**442**
Remeasurement of Defined Benefit plan	*0*	*(2)*	*86*	*130*	*44*
Prudential filters	*-108*		*-108*	*-204*	*-96*
Participations to be deducted & subordinated loans	*-196*		*-196*	*-699*	*-503*
Core TIER 1	**6,702**		**6,682**	**6,570**	**-112**
Hybrid Tier 1	*0*		*0*	*0*	*0*
TIER 1	**6,702**		**6,682**	**6,570**	**-112**
Reserve AFS shares (90%)	*48*		*48*	*49*	*1*
Issue Upper Tier 2	*264*		*264*	*332*	*68*
Issue Lower Tier 2	*863*		*863*	*776*	*-87*
Shortage (-) / Surplus (+) IRB position	*41*		*41*	*25*	*-16*
Participations to be deducted & subordinated loans	*-196*		*-196*	*-699*	*-503*
TIER 2	**1,020**		**1,020**	**482**	**-538**
Insurance companies to be deducted	*-781*		*-782*	*0*	*782*
Total equity CAD	**6,941**		**6,921**	**7,052**	**131**

(1) The FTA of IAS 19R resulted in a decrease of core shareholders' equity

(2) IAS 19R required the recognition of the remeasurement of Defined Benefit Plan

- Core shareholders' equity increased by EUR 442 m due to YTD profit
- Core Tier 1 capital decreased by EUR 112 m mainly due to the new deduction rule for holdings in insurance companies
- Total equity capital increased to EUR 7.1 bn

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Appendix 10

Focus on solvency ratios (Basel II)

Core Tier 1 ratio

Tier 1 ratio

CAD ratio

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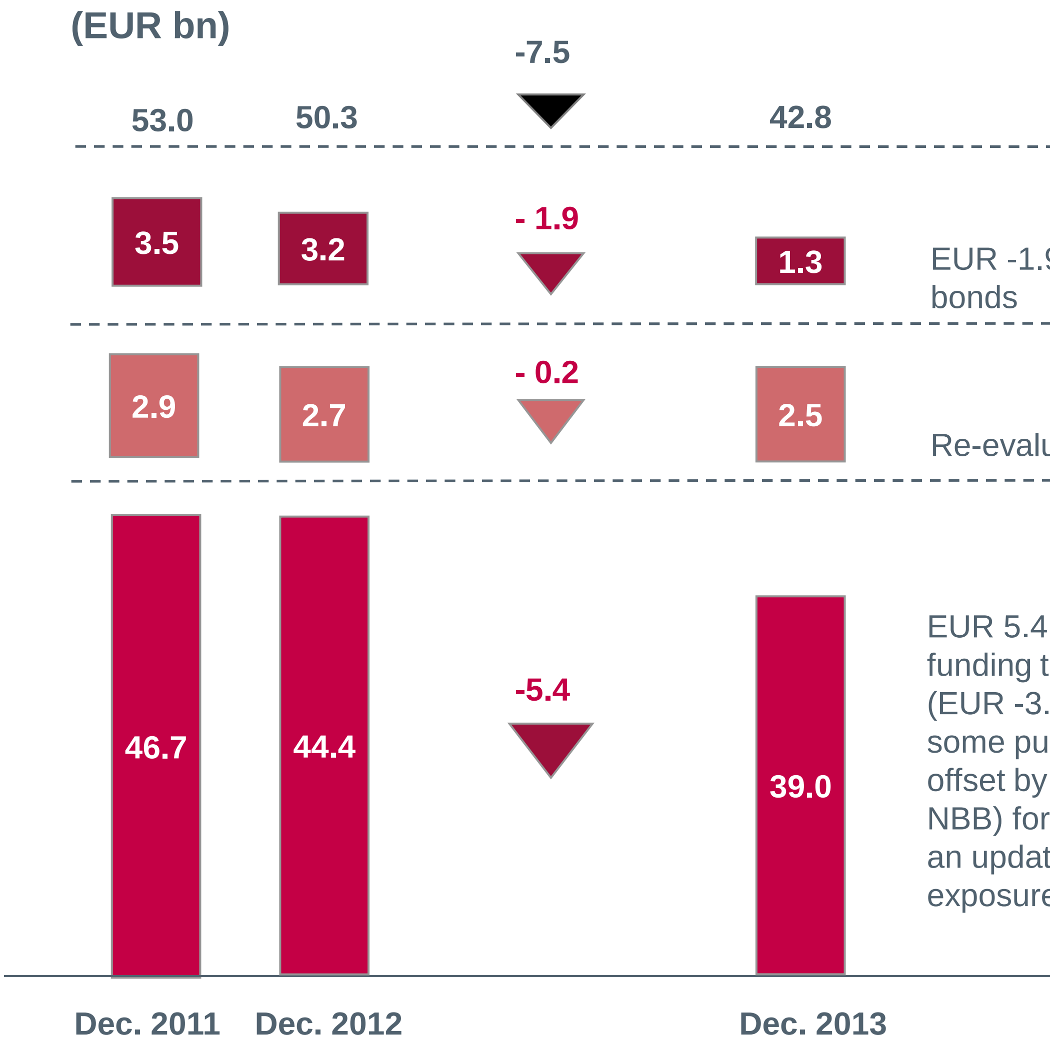
Appendix 11

Focus on weighted risks (Basel II)



Market Risk

EUR -1.9 bn decrease mainly due to impact de-risking bonds

Operational Risk

Re-evaluation once a year in December

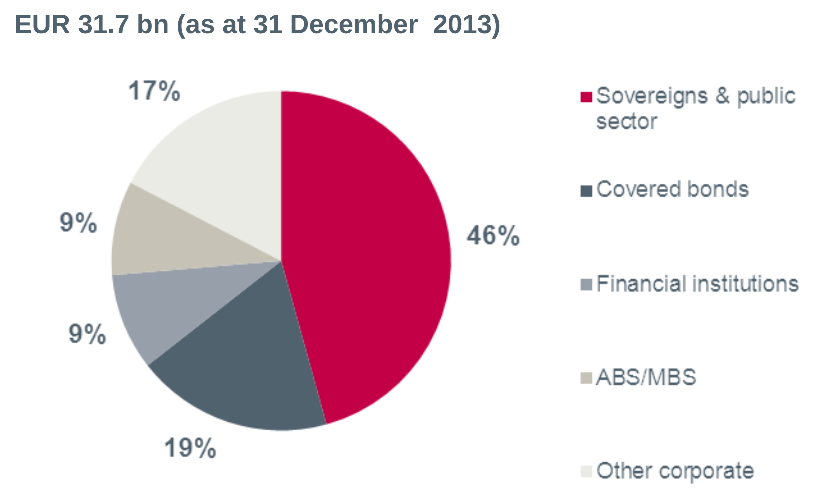
Credit Risk

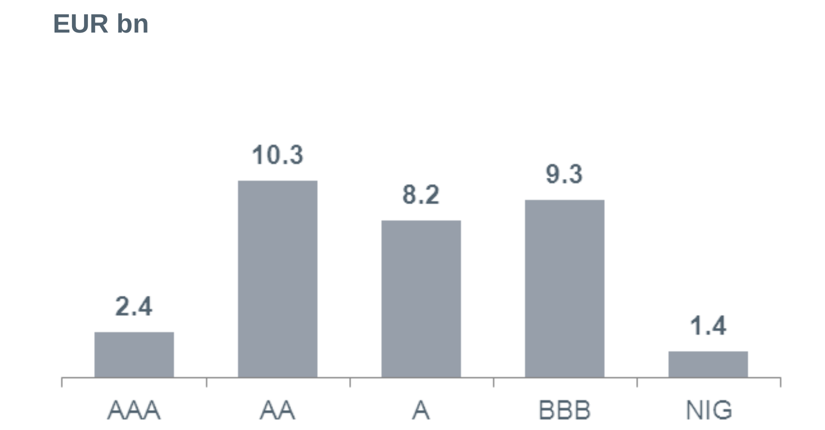
EUR 5.4 bn decrease mainly due to a reduction of funding to Dexia (EUR -2.6 bn), deleveraging efforts (EUR -3.7 bn) and the use of external ratings for some public sector entities (EUR -0.9 bn) , partially offset by additional 5% risk weighting (imposed by NBB) for residential mortgages (EUR +1.1 bn) and an updated new rating scale for Corp & Mid Corp exposures (EUR +1.3 bn)

Appendix 12

Investment portfolio - Total

Breakdown by type of counterpart	Breakdown by rating





- Investment portfolio well diversified and of good quality
- Portfolio 96% Investment Grade by the end of December 2013
- Expected average life: 11.3 years

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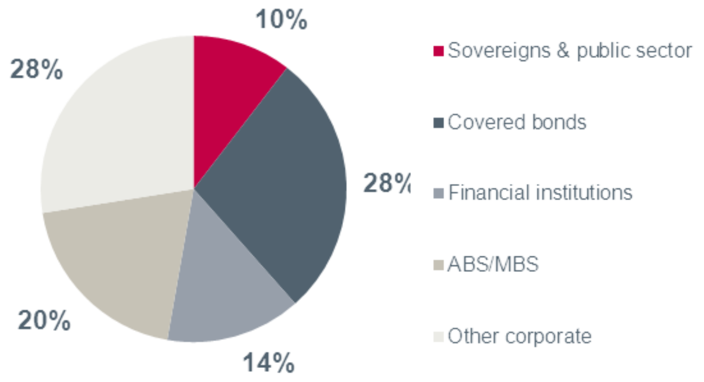
Appendix 13

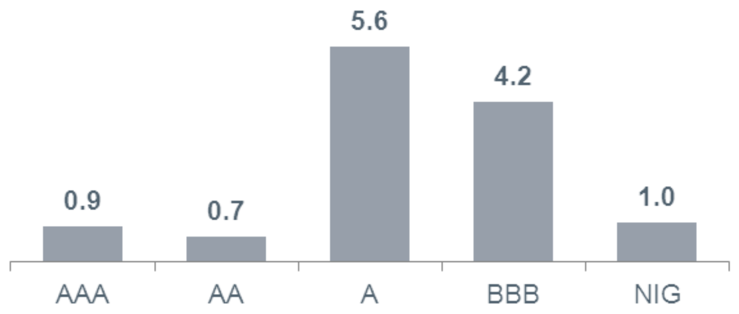
Investment portfolio – Legacy

Breakdown by type of counterpart	Breakdown by rating

EUR 12.4 bn (as at 31 December 2013)



EUR bn



- Legacy portfolio at EUR 12.4 bn as at 31 December 2013, a reduction of EUR 3.6 bn (or 22.6%) compared to December 2012
- Portfolio 92% Investment Grade by the end of December 2013
- Expected average life: 11.7 years

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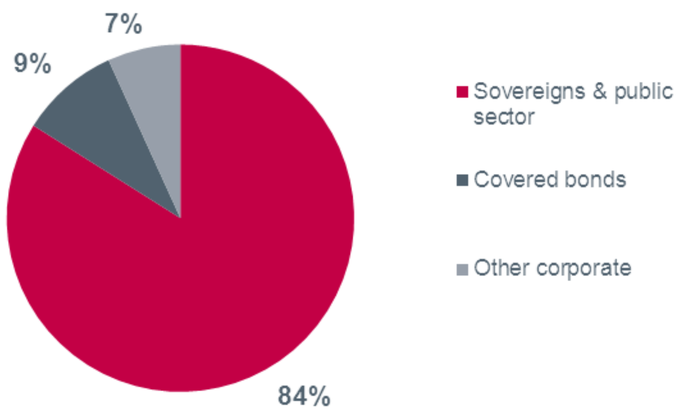
Appendix 14

Investment portfolio – ALM Bank

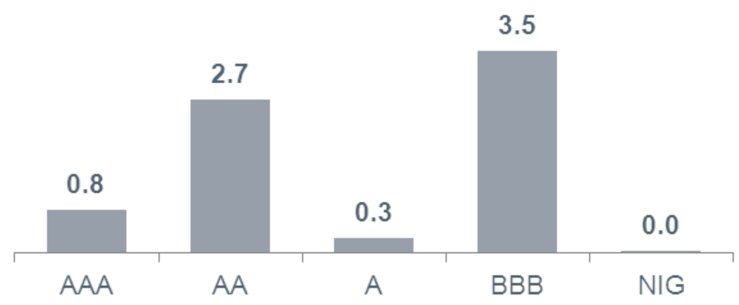
Breakdown by type of counterpart

EUR 7.2 bn (as at 31 December 2013)



Breakdown by rating

EUR bn



- ALM Bank portfolio at EUR 7.2 bn as at 31 December 2013, compared to EUR 6.8 bn as at 31 December 2012
- Portfolio 99% Investment Grade by the end of December 2013
- Expected average life: 13.1 years

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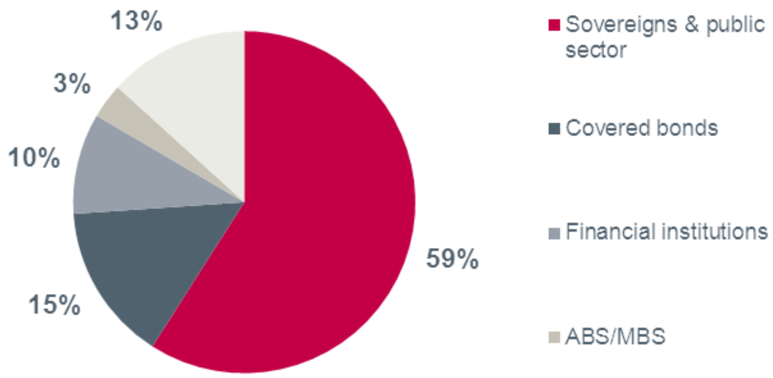
Appendix 15
Investment portfolio – ALM Insurance

Breakdown by type of counterpart

EUR 12.0 bn (as at 31 December 2013)



Breakdown by rating

EUR bn

- ALM Insurance portfolio at EUR 12.0 bn as at 31 December 2013, a reduction of EUR 1.3 bn (or 9.7%) compared to December 2012,
- Portfolio 97% Investment Grade by the end of December 2013
- Expected average life: 9.7 years

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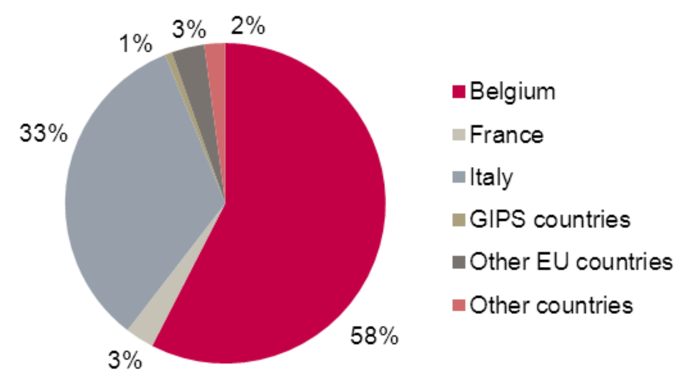
Appendix 16
Outstanding exposure on government bonds

(EUR m)	31/12/2011	31/12/2012	31/12/2013
Belgium	5,085	8,705	8,095
France	1,193	484	410
Italy	4,355	4,760	4,698
GIPS countries	2,128	97	100
Other EU countries	2,686	655	467
Other countries	342	328	296
Total	**15,789**	**15,029**	**14,066**

Breakdown as at 31 December 2013



- Total government bond portfolio stood at EUR 14.1 bn (of which EUR 7.1 bn in ALM insurance) as at 31 December 2013, down EUR 1 bn compared to 31 December 2012
- Due to reinvestments in Belgium government bonds in 2012, Belgium now represents 58% of the total portfolio against 32% in 2011

Note: Figures 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).

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Appendix 17

Outstanding exposure on sovereign GIIPS

(EUR m)	31/12/2011	31/12/2012	31/12/2013
Portugal	253	84	0
Ireland	352	11	11
Greece	670	0	0
Spain	853	2	89
Subtotal	**2,128**	**97**	**100**
Italy	4,355	4,760	4,698
Total	**6,483**	**4,857**	**4,798**

- Total GIIPS exposure stood at EUR 4.8 bn at the end of December 2013, stable compared to December 2012 and a significant decrease (-26%) since December 2011, mainly driven by a 95% reduction of total exposure on Portugal, Ireland, Greece and Spain
- Exposure on Portuguese & Greek government bonds reduced to nil
- Italian government bonds down EUR 0.1 bn compared to December 2012 (sale at the level of the insurer)

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).

Appendix 18

Reduction of funding granted to the Dexia Group*

	20/10/2011	31/12/2011	31/12/2012	30/06/2013	31/12/2013
Total	EUR 56 bn	EUR 44 bn	EUR 22 bn	EUR 14.6 bn	EUR 13.5 bn
Unsecured	EUR 23 bn	EUR 10 bn			
Secured	EUR 33 bn	EUR 20 bn	EUR 8 bn	EUR 1.2 bn	~ 0
Government Guaranteed Bonds (GGB)		EUR 14 bn	EUR 14 bn	EUR 13.4 bn	EUR 13.4 bn

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

Appendix 19

Belfius Insurance – Consolidated balance sheet

(EUR m)	31/12/2012 as published	31/12/2012 PF	31/12/2013	Evolution 31/12/2013 31/12/2012 PF
Total assets	**26,184**	**26,187**	**25,795**	**-392**
of which				
Loans and advances due from banks	1,037	1,037	873	-164
Financial investments	14,497	14,497	13,523	-974
Financial assets measured at fair value through profit and loss	3,459	3,459	3,647	188
Mortgage and other loans	6,347	6,347	6,782	435
Investment property	409	409	421	12
Other assets specific to insurance companies	316	316	274	-42
Total liabilities	**24,625**	**24,632**	**24,194**	**-438**
of which				
Due to banks	2,233	2,233	1,925	-308
Technical provisions for insurance companies	17,881	17,881	17,645	-236
Financial liabilities measured at fair value through profit and loss	3,459	3,459	3,647	188
Other liabilities specific to insurance companies	303	303	222	-81
Total equity	**1,559**	**1,554**	**1,601**	**47**
of which				
Core shareholders' equity	808	799	1,012	213
Gains and losses not recognized in the statement of income	735	739	573	-166
Non-controlling interests	16	16	16	0

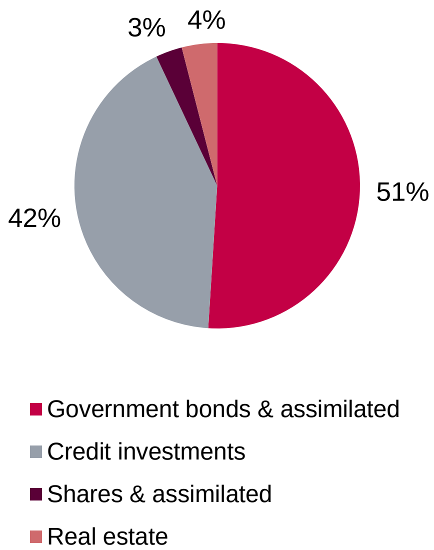
PF: 31 December 2012 financial statements have been restated due to the implementation of the revised IAS19 as from January 2013

Appendix 20

Belfius Insurance – Diversified asset allocation

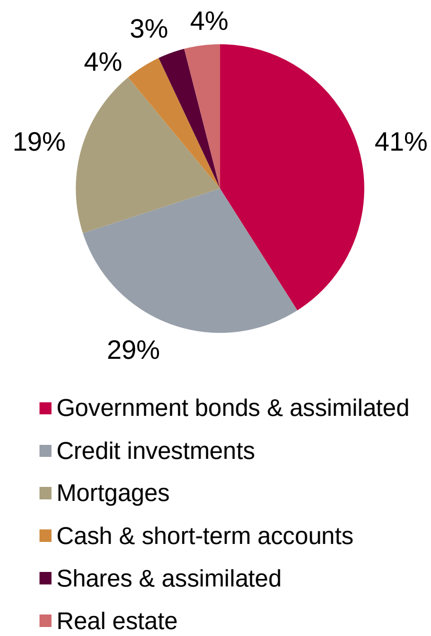
31 December 2011

(EUR 16.8 bn)



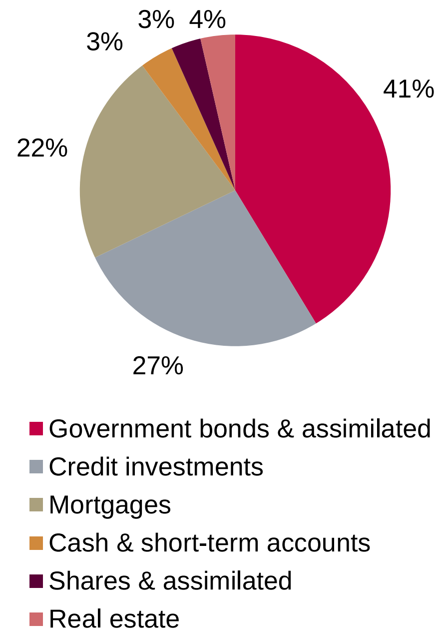
31 December 2012

(EUR 22.4 bn)



31 December 2013

(EUR 21.5 bn)



- 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
- By the end of December 2013 slightly more investments in mortgages

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Appendix 21

Belfius Insurance – Consolidated statement of income

(EUR m)	2012 as published	2012 PF	2013
Income	**311**	**311**	**446**
Net technical income	*-575*	*-575*	*-404*
Financial income	*883*	*883*	*852*
Other income	*3*	*3*	*-2*
Expenses	**-187**	**-187**	**-219**
Gross operating income	**125**	**124**	**226**
Cost of risk	*-13*	*-13*	*12*
Pre-tax income	**112**	**111**	**238**
Tax expenses	*-26*	*-26*	*-26*
Net income after taxes	**86**	**85**	**212**
Non-controlling interests	*1*	*1*	*0*
Net income group share	***85***	***84***	***212***
of which contribution to consolidated results Belfius Bank	**59**	**59**	**215**

PF: 2012 financial statements have been restated due to the implementation of the revised IAS19 as from January 2013

Appendix 22 (1/3)

IAS 19 Revised – Main changes

- IAS 19 Revised for Employee Benefits came into effect on 1 January 2013
- The most significant change, compared toIAS 19, is the elimination of the 'corridor approach' that allowed the deferral of actuarial gains and losses over several years
  - All actuarial gains and losses are now recognized immediately through other comprehensive income (SORIE* reserve) with no recycling in profit and loss
  - The net pension asset/liability recognized in the consolidated balance sheet position reflects the full deficit/surplus
- Additionally, the net interest cost and expected return on plan assets is replaced by a 'net interest' amount which is calculated by applying the discount rate to the net defined benefit asset/liability. This amount is booked at the level of expenses in the P&L
- For comparison purposes and to be compliant with IFRS, 2012 figures have been restated
  - The one-off negative impact on core shareholders' equity amounted to EUR 106 m, partially offset by the creation of a SORIE-reserve of EUR 86 m, finally resulting in a EUR 20 m decrease in total shareholders' equity
  - Net income group share for 2012 increased with EUR 6 m

** SORIE = Statement of Recognized Income and Expense.*

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Appendix 22 (2/3)

IAS 19 Revised – Restatement of balance sheet

(EUR m)	2012 as published	*delta*	2012 PF
Total assets	**212,947**	***10***	**212,957**
o/w tax assets	1,197	*10*	1,208
Total liabilities	**207,588**	***30***	**207,618**
o/w provisions & other litigations	948	*30*	978
Core shareholders' equity	**7,006**	***-106***	**6,901**
Gains/losses not recognised in the statement of income	**-1,666**	***86***	**-1,581**
o/w SORIE reserve *		*86*	86
Total shareholders' equity	**5,340**	***-20***	**5,320**
Minorities	19		19
Total equity	**5,360**	***-20***	**5,340**
Total liabilities and equity	**212,947**	***10***	**212,957**

** SORIE = Statement of Recognized Income and Expense.*

Appendix 22 (3/3)

IAS 19 Revised – Restatement of P&L

(EUR m)	2012 as published	*delta*	2012 PF	1H 2012 as published	*delta*	1H 2012 PF
Income	**2,458**		**2,458**	**1,359**		**1,359**
Expenses	**-1,594**	***9***	**-1,585**	**-763**	***5***	**-759**
Gross operating income	**865**	***9***	**874**	**595**	***5***	**600**
Impairments and provisions	-268		-268	-142		-142
Pre-tax income	**597**	***9***	**606**	**453**	***5***	**458**
Tax expenses	-181	*-3*	-184	-200	*-2*	-202
Net income after taxes	**417**	***6***	**423**	**253**	***3***	**256**
Non-controlling interests	1		1	1		1
Net income group share	**415**	***6***	**421**	**252**	***3***	**255**

Appendix 23

Ratings

Ratings of Belfius Bank as at 26 March 2014

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

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