

Brussels, September 6, 2012

## Renewed client confidence and good commercial and financial results against a challenging economic background

**For the first half of 2012, Belfius posted EUR 252 million to *net income – Group share* (Bank & Insurance), a reflection of the commercial activities and of certain one-off items. Excluding those one-offs the *net income – Group share* would amount to EUR 139 million. "These results are down to the renewed confidence of clients as well as the efforts expended by our own teams", declared Jos Clijsters during the press conference of 6 September.**

**At the same time, Belfius continued to improve its risk profile in the first half-year by disposing of part of its longstanding investment portfolio and continuing to reduce its exposure to Dexia group. Finally, during the first six months of 2012, the name change, the conversion of the company into a stand-alone organisation and a host of other initiatives bestowing added value on Belgian society at large all went through successfully.**

### **Financial results**

EUR 252 million of *net income – Group share* was reported for the first half of 2012, a result that may be put down to a whole series of non-recurrent, positive items, and was used in part for the further tactical de-risking of the longstanding investment portfolio.

Some EUR 3.1 billion of risky assets were disposed of during the first six months of 2012. In comparison to late December 2011, exposure to GIIPS sovereign bonds was down 32%, to EUR 4.4 billion. Greek and Spanish sovereign bond outstandings were reduced to zero. Residual GIIPS sovereign risk is, consequently, exclusively linked to Italian government bonds.

Secured cash exposure to Dexia group was further substantially reduced from EUR 44 billion as at the end of December 2011 to EUR 28 billion as at the end of June 2012.

All these factors taken together helped considerably improve, on the one hand, the liquidity position and, on the other, the bank's core shareholders' equity. At the end of 2012, the Core Tier 1 ratio was 12%.

### **Name change: ahead of schedule and with excellent results**

Unveiled on 1 March, the bank's new name was quickly assimilated by the public, and this helped speed up the branch rebranding process. Already by 6 July, all Dexia logos and signs had disappeared. Interior design changes at the branches will have been completed by mid-September. By the end of June, assisted brand awareness was exceeding 90% – the equivalent level, after only three months, to that of the other big banks.

### **Retail and Commercial Banking: continuing to move in the right direction**

The name change, an indispensable means of severing the cord between Belfius and Dexia group, of which Belfius is no longer a part, has been a clear contributor to the restoration of confidence. This was reflected, in particular, in an improvement in outstandings both as regards savings and investment products. As at the end of June 2012, outstandings on savings accounts amounted to EUR 31.2 billion – a rise of almost 7% in comparison with the end of December 2011.

In the first half-year, we granted EUR 1.4 billion of mortgage loans and EUR 220 million of consumer loans. Additionally, during the same period, we issued EUR 1.1 billion of credit facilities to SMEs, the self-employed and the liberal professions. In order to promote the creation of companies, the bank signed, with the European Investment Fund, an extensive guarantee agreement, covering up to total loans of EUR 450 million for starters in Belgium over the next couple of years.

Further performances of note were posted by MasterCard Prepaid (more than 10 000 cards in just one month), the Travel App (more than 23 000 downloads in two months) and the Mobile Banking application (more than 50 000 contracts in one year) – evidence of the changes in Belgian banking expectations and habits.

### **Public and Wholesale Banking: solid partnership with our clients**

Here, too, there was sustained activity during the first half of 2012. Commercial deposits, for example, were again up and we booked, for the same period, EUR 1.6 billion of loans to the public & social sector. Loans granted to corporates were stable, at EUR 240 million.

During the first half of 2012, Belfius was, in particular, confirmed as cash contractor for the Walloon Region for the period 2013-2017, a function it also exercises on behalf of the French-speaking Community, Brussels-Capital Region and the German-speaking Community as well as many other public bodies. Finally, with respect to project financing, Belfius took part, in particular, in the consortial financing of the offshore wind farm Northwind at the North Sea, confirming its wish to continue to contribute to the development of renewable energy in Belgium.

### **Insurance**

In the first half-year, insurance activities – both Life and Non-life – grew, through all distribution channels in Belgium (bank-insurance, the *DVV* network, Wholesale, Direct).

In Life insurance, Branch 23 is gradually finding more favour than Branch 21.

The growth of the non-Life activities has its roots in price-optimising and bigger volumes. Higher gross written premiums resulted in an improvement of the combined ratios.

### **Corporate Social Responsibility**

Belfius has fulfilled even further its third commitment – its contribution to society – not only through its products & services but also through its own behaviour. "Ageing populations" and the fight against climatic change are Belfius's clear priorities and will remain so in 2013-2014 ... The "Sustainable Development Report" available on [www.belfius.be/SustainableDevelopment2011](http://www.belfius.be/SustainableDevelopment2011) provides an overview of all related initiatives and results.

The first half-year was also a time of other noteworthy initiatives such as Belfius Art (young artists), Belfius Classics (young musicians), the "Local Team Spirit" campaign (40,000 young sports persons decked out in the Belfius colours) and the inauguration of the "Community Service Center".

**M. A. Bouckaert, Chairman of the Board of Directors, concluded with these words:** "The first half-year was a time of market volatility, a challenging economic situation and very low interest rates. We are happy with our commercial results and continue to extend the excellence of our services to all our customer segments. The prompt improvement in our risk profile demonstrates our wish to refocus Belfius on its core activities and turn it into a key player in Belgium."

#### **Press contacts**

[press@belfius.be](mailto:press@belfius.be)

+ 32 2 222 02 50

Moniek Delvou

[moniek.delvou@belfius.be](mailto:moniek.delvou@belfius.be)

+ 32 2 222 98 16