

Brussels, January 31 2013

## **Belfius concludes agreement with ACW and MOC regarding profit-sharing bonds and strengthens its capital base.**

On 31 January 2013 Belfius concluded a global agreement with ACW and MOC (Christian Workers' Movements) regarding the profit-sharing bonds formerly issued by Belfius. Given the contractual nature of these bonds and their enshrinement in the Articles of Association, only an agreement between ACW and MOC and Belfius would be able to alter the existing framework that governs these bonds.

The agreement involves Belfius Bank purchasing EUR 110 million in profit-sharing bonds issued by Belfius Bank and Belfius Insurance. ACW and MOC will reinvest the major part of what is being paid now, namely EUR 72 million in a subordinated perpetual loan issued by Belfius Bank (6.25% interest rate), which qualifies as Tier2 equity. The payment of the balance of the amount shall be spread over 10 years.

The deal gives Belfius Bank a non recurring profit of EUR 60 million and a saving each year of around EUR 10 million.

In addition, Belfius is able to strengthen its capital base because the subordinated loan carries with it the guarantees necessary to meet the current Basel II and the future Basel III requirements.

ACW and MOC are longstanding customers of Belfius and will in future benefit from the market-based conditions that Belfius offer clients of that size.

Jos Clijsters, Chairman of the Management Board: *"Belfius Bank is satisfied with this agreement, not only because it generates a non recurring profit and cost savings over the coming years, but also because of the opportunity it offers to continue to develop our commercial relations with ACW and MOC in the future, in line with many other major commercial clients of the bank."*

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