



PRESS RELEASE

RESULTS 2022

Brussels, 3 march 2023

Annual results 2022: excellent net result, continued financial solidity and growth in all segments

EUR 975 million: in 2022, Belfius has again recorded a particularly strong net result. With EUR 11.1 billion in total shareholders' equity and a CET 1 ratio of 16.5%, it remains one of the strongest bank-insurers in Europe.

The reason for these excellent results? A clear long-term strategy which puts the customer at the centre of everything. A successfully diversified business model as a bank-insurer. Excellent commercial dynamics, supported by committed staff members. A passion for innovation, and strict financial and risk management.

In a complex geopolitical and macroeconomic context, these different ingredients allow Belfius fully to assume its role as a reliable partner for the economy and all segments of Belgian society, from the wealthiest to the most vulnerable.

It is precisely by relying on this unique mix of segments and activities that Belfius will be able to continue to fulfill its societal role in a challenging future and be "Meaningful & Inspiring for Belgian Society. Together".

€ 25 BILLION

IN NEW LONG-TERM FINANCING TO support the Belgian economy

OUTSTANDING SAVINGS AND INVESTMENTS REACHING

€ 179.4 BILLION

of which € 8.3 mia organic growth

169,431

SOCIAL ACCOUNTS for the disadvantaged or the most vulnerable groups

NON-LIFE PREMIUM OF

€ 805 MILLION

Unprecedented COST INCOME RATIO

54%

Net result of

€ 975 MILLION

Highest dividend in Belfius history

€ 384.4 MILLION

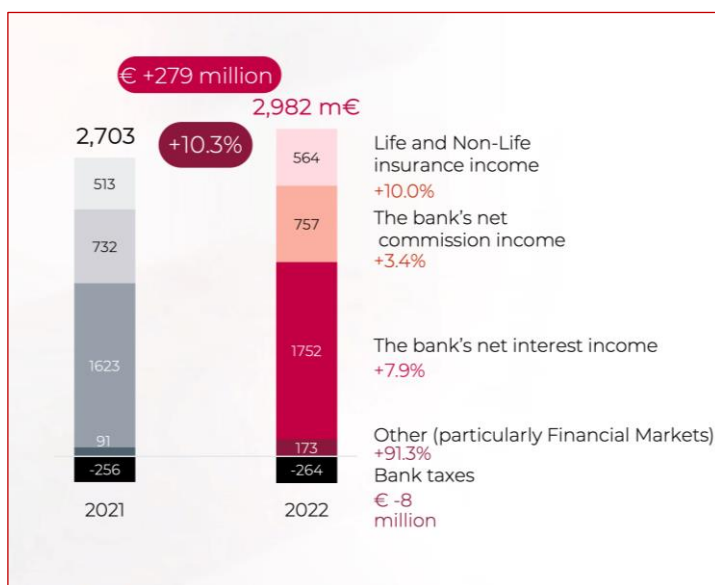
a total of € 2.1 billion since 2011

Belfius

A robust net result reflects excellent commercial dynamics and solidity of Belfius

Belfius closed 2022 with a consolidated net result before and after tax of EUR 1,255 million and EUR 975 million respectively, which represents a growth of 2% and 4% compared to 2021. Belfius Bank's contribution to this overall net result has increased significantly to EUR 762 million, mainly due to strong growth in banking activities.

Diversified growth in all major income components



After a successful first half of the year, Belfius' **total income** continued to rise, to EUR 2,982 million, an increase of 10.3% compared to 2021. The **bank's net interest income** jumped by 7.9% to EUR 1,752 million, driven amongst others by the rise in interest rates, but also by the strong commercial dynamics and excellent ALM management. Despite the volatile stock markets, Belfius confirmed its success as a bank for investors and continued to diversify its activities. This is reflected in an increase of 3.4% in the **bank's net commission income**, which amounted to EUR 757 million. Income from insurance activities increased by 10% to EUR 564 million. Among these, **income from Life insurance activities** is particularly noteworthy. Up sharply by 11.7%, it reached EUR 338 million, mainly driven by

resilient investment margins and a partial release of excess reserves set aside for the Life business. **Non-Life income** managed to reverse its first half year decline (due to adverse weather conditions at the beginning of the year and higher claims costs due to inflation) in the second half of the year. With an amount of EUR 226 million, they closed the year 2022 with an increase of 7.5%, mainly due to the solidity of the commercial activity and the growth of the portfolio.

Despite higher bank taxes, **other income** was significantly less negative than in 2021. It amounted to EUR 91 million, mainly resulting from a significant contribution from dealing room activities and the strong results of Belfius' subsidiaries.

Unsurprisingly, Belfius saw its costs increase by 9.7% compared to 2021, to EUR 1,620 million. This increase is the logical consequence of historically high inflation on the one hand and the deliberate choice to continue investing in people and technology on the other hand. However, with higher costs offset by strong revenue growth, the **cost-income ratio** continued to decline to 54% (-1%).

The macroeconomic context calls for prudent risk management

2022 was characterised by a particularly complex macroeconomic context: very high inflation, a sudden rise in interest rates, and the unexpected slowdown of the economy due to the war in Ukraine. In view of these circumstances and the significant uncertainties which remain, Belfius has continued to manage its credit provisions prudently.

With a net reversal of EUR 13 million in the first half of 2022, Belfius decided to increase its cost of risk again in the second half of the year in view of the important and increasing macroeconomic uncertainties, the deterioration of the economic outlook and the vulnerability of specific sectors.. This brings the **overall cost of risk** to EUR 106 million for the whole of 2022 and leads to an increase in the anticipative provisions for future risks to EUR 235 million, compared to EUR 216 million in 2021.

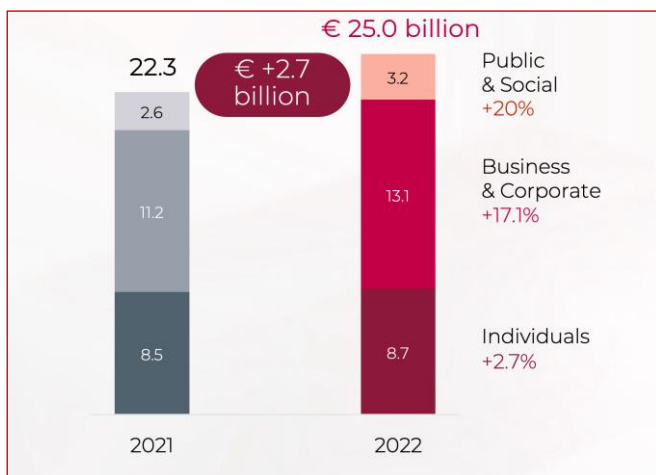
Very strong liquidity and solvency position

With a **CET1 ratio** of 16.5%, Belfius had a solid and robust solvency position at the end of 2022, slightly higher than at the end of 2021, due in particular to the moderate decrease in **risk weighted assets** to EUR 64.8 billion. Belfius thus remains firmly in the leading group of the best capitalised bank-insurers in Europe.

Belfius Insurance also performed well in terms of solvency, with a **Solvency II ratio** of 193%, up 3% on 2021. With an **LCR ratio** of 173% and an **NSFR ratio** of 135%, Belfius continues to meet the liquidity requirements, and even saw its **liquidity reserves** increase to EUR 46.2 billion at the end of 2022.

The Belfius Group's **equity** stood at EUR 11.1 billion at the end of 2022.

Long-term financing: record production in support of the Belgian economy and society



In 2022, Belfius reinforced its role as the engine of the Belgian economy, with a record production of EUR 25 billion (+12%) of **new long-term financing**. This strong growth is evenly spread across all segments of the Belgian economy and is reflected in a 7.5% increase of **total loan outstanding**, which reached EUR 109.8 billion.

Individuals: Belfius helps its customers to live in an affordable manner and to make energy savings

In 2022, Belfius granted a total of EUR 8.7 billion in **new long-term financing for individuals**, an increase of 2.7% compared to 2021. Despite the slowdown in the real estate market, higher mortgage rates and intense competition, Belfius saw its **mortgage loan production** increase by 2.1% to EUR 7.9 billion and its market share for new mortgage loans rise to 17.4%.

Against a background of inflation and high energy prices, Belfius intends more than ever to contribute to keeping the cost of living affordable for its customers by helping them to improve the energy performance of their homes and reduce their bills. This is reflected in an **increase in the production of consumer loans** by 6.2% to EUR 752 million. Of these, the growing proportion of green renovation loans, the production of which has doubled compared to 2021, is particularly noteworthy. In 2022, they will account for almost one in five consumer loans granted.

Belfius' love for Belgian entrepreneurs and enterprises is great: record production of new long-term financing

In 2022, Belfius proclaimed it in a large-scale media campaign: its Love for entrepreneurs and enterprises is great. But it is still most visible in the figures. In 2022, more than half of the record production of EUR 25 billion of **new long-term financing** granted, i.e. EUR 13.1 billion (+17.1%), was allocated to Belgian entrepreneurs and enterprises.

Helping Belgian entrepreneurs to realise their dreams is one of Belfius' ambitions. This is expressed by the strong increase (+26.9%) in **new long-term loans granted to corporate customers**, which reached EUR 8 billion. As a result, the **outstanding short and long-term loans** for this segment rose significantly by 16.8% compared to the end of 2021, to EUR 22.1 billion. In addition to the strong growth figures in this segment, Belfius' market share of outstanding loans in the Corporate segment in Belgium is now estimated at 19%.

When looking for a partner to finance their growth, locally based SMEs, self-employed and liberal professions are increasingly thinking of Belfius. In 2022, the **production of long-term loans granted to business customers** reached EUR 5.1 billion, an increase of 4.3%. The **outstanding short and long-term loans** granted to this segment thus rose by a further 7.5% to EUR 17.2 billion.

Belfius is an integrated bank-insurer with Belgian roots. In today's globalised economy, this does not prevent it from being present alongside its customers in their international activities. This is evidenced by an increase in **trade finance** income of around 14% compared to 2021.

Belfius guides the Public & Social sector through an extremely complex 2022

In 2022, the energy crisis and inflation represented an even bigger financial shock for local authorities than the Covid-19 bill. Within this context, Belfius remains the partner of reference for the **Public & Social sector** and granted **new long-term loans** to customers in this segment for a total of EUR 3.2 billion in 2022, an increase of 20% compared to 2021. This represents 52% of new long-term financing in the Public & Social sector.

Local authorities have an important role to play in the energy transition. That is why the legislator is increasingly encouraging them to make sustainable investments. This includes the renovation of many public buildings.

Thanks to **Smart Building & Renovation Solutions**, a unique product developed for this purpose, Belfius will support local authorities in 2022 in the realisation of 44 renovation projects for an amount of EUR 454 million, of which EUR 223 million will be financed by Belfius (i.e. an increase of 59% compared with 2021 for the part financed by Belfius).

Belfius confirms its leadership in the field of alternative financing solutions

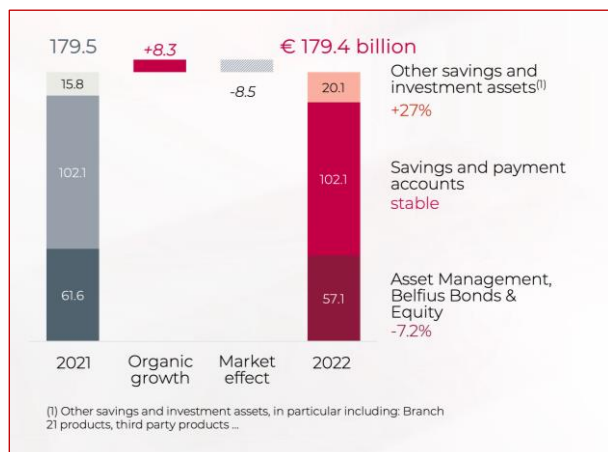
In addition to traditional credit financing, Belfius has become the partner of choice for Belgian companies and (semi-)public customers for alternative financing solutions. With 46 transactions in an amount of EUR 8.1 billion, Belfius maintained its leading position in **Debt Capital Markets (DCM) issues** for Belgian issuers in 2022. In the (semi-)public sector, the bank accompanied the placement of EUR 6 billion in the form of short-term issues (average outstanding Commercial Paper) and new long-term issues (Medium Term Notes and bonds). Belfius is also active in the corporate sector, placing EUR 2.1 billion in the form of new short and long-term issues.

Belfius also reaffirmed its leading role in the issue of **9 Green and Social Bonds** for an amount of EUR 1.92 billion. Of these, the successful issue of the "Green Senior Bond" attracted particular attention.

By participating in no fewer than 14 transactions for a total value of EUR 1.9 billion in 2022, Belfius plays a leading role in the field of **Equity Capital Markets (ECM)** and occupies a leading position in the market, both in terms of number of transactions and volumes.

Savings and investments: Belfius continues to be a bank for investors with responsible investments from a societal point of view

Investors are resolutely turning to socially responsible investments



Thanks to strong organic growth of EUR 8.3 billion and despite an unavoidable negative market effect of EUR -8.5 billion, **total savings and investments for all segments** amounted to EUR 179.4 billion, which is fairly stable compared to 2021. At EUR 116.4 billion, the **outstanding amount of savings and investments of individuals** also held up rather well (-1.8% compared to 2021).

The **total volume of payment and savings accounts of individuals** increased slightly by 1.1%, to EUR 62.5 billion. Furthermore, alternative investments are clearly becoming increasingly popular with savers. In 2022, an increasing number of them took their first steps as investors. At the end of 2022,

subscriptions to investment products for individuals amounted to EUR 15.7 billion, a figure which is roughly stable compared to 2021.

In line with its purpose, Belfius continued to play the responsible investment card in 2022. The success of the **Funds of the future** continued to make its mark. The year 2022 saw the launch of 3 new funds: Re=New, Virtu=All and Innov=Eat. In total, the 9 Funds of the future attracted EUR 747 million of investment in 2022, bringing the total amount of assets under management to EUR 2.2 billion, an increase of 7% compared to the end of 2021. The contribution to the Funds of the future now represents 81% of the total net production of funds.

Re=Bel, Belfius' online investment platform, inspires more than 71,000 customers to invest in a different and more committed way. Over the whole of 2022, they carried out 222,000 purchase transactions, for a total amount of EUR 679 million. Re=Bel encourages investors to make committed investment choices. Indeed, 76% of the funds invested through Re=Bel (a total of EUR 1.2 billion since the launch of this platform) are in line with Belfius' policy to limit investments in controversial sectors.

Belfius continues to be the reference bank for Private & Wealth customers

The Belfius strategy of becoming the reference bank in the fields of Private Banking and Wealth Management and the investments made in its own wealth management specialists within its asset management activity are bearing fruit. Driven by a strong commercial dynamic, the **outstanding of savings and investments of Private & Wealth customers** reached EUR 50.7 billion, with organic growth of EUR 2.3 billion in 2022. Once again, it is the **outstanding savings and investments of Wealth customers** which is growing the most: despite turbulent markets, it grew by 4% to reach EUR 9.1 billion. **Mandates and service contracts** in the Private & Wealth segment amounted to EUR 13.7 billion.

After opening the first 5 Private & Wealth Houses in 2021, Belfius continued to develop these exclusive spaces in 2022. There are now **20 Private Houses and 1 Wealth House** offering Private & Wealth clients all the necessary experience and expertise close to home.

Belfius is committed to everyone, including the most vulnerable groups in society

Being at the side of everyone is what motivates us day after day: from the youngest to the oldest, from start-ups to large corporates, from local authorities to private clients, from the strongest to the most vulnerable. Moreover, Belfius remains the only bank to offer a wide range of social products for the most vulnerable groups in our society, via 169,431 social accounts. In addition, Belfius accounts for approximately 40% of the **basic banking services for the most disadvantaged on the Belgian market**.

Continuing to focus on digital innovation does not mean that **less digitally-minded customers** will be left behind. For example, Belfius Phone Banking, a free service, enables non-digital or less mobile customers to manage their daily banking business independently. What is more, customers over the age of 70 pay no fees if they wish to make paper transfers or receive their monthly account statements by post.

With a total outstanding of EUR 23.9 billion in loans to the public and social sector, Belfius continues to contribute to the development of society by supporting the construction of bicycle paths, schools, swimming pools and hospitals. As the banker of 46 universities and colleges in Belgium, we support the training and well-being of young talent.

Belfius continues to focus on digital innovation

Belfius continues to focus on innovation and diversification. This enables it to confirm its digital leadership. The proof is the 5% increase in the number of **active users of Belfius apps** (1.88 million), consulted on average 38.5 times per month on a smartphone or tablet. The digital acceleration is also reflected in the **sale of products via digital channels**, the proportion of which continues to grow. Moreover, with an average of 40,000 conversations per month, the chatbot adds an extra dimension to the service which customers receive via the digital channels.

Insurance: strong commercial momentum and renewed interest in branch 21, reflecting the strength of the bank-insurance model

In 2022, supported by a strong bank-insurance model, Belfius once again made every effort to stand by its customers. During the storms which hit our country in February 2022, Belfius Insurance redoubled its efforts, as it did in 2021, to provide the best possible support to the customers affected. The amount of damage reached a total of EUR 50.6 million, 95% of which has already been paid out to its customers. Through good management of the reinsurance policy, the financial impact on the annual results of Belfius Insurance remains manageable. The **combined operating ratio (NCR)** improved slightly (-1%) to 96.4%, amongst others, thanks to an increase in premiums collected in line with the growth of the portfolio, and to the partial reversal of provisions. These elements offset the higher costs due to natural catastrophes and a higher claims burden due to higher inflation.

2022 was a complex year for the Non-Life insurance business. It had to deal with the forces of nature, high inflation driving up claims costs, but also the slowdown in the motor market, with an impact on motor insurance production. In this context, the commercial dynamics held up very well, with an increase in **Non-Life premiums at group level** reaching EUR 805 million (+4.7%). The bank-insurance channel posted the strongest growth (+8.5%). DVV and the insurer Corona Direct also continued their growth by 3.6% and 4% respectively.

Life production benefited from the rise in interest rates. At the end of 2022, production Life reached EUR 2.2 billion. An increase of 7.6% compared to the end of 2021 that can be explained, in particular, by the revival of Branch 21 insurance (+48.7% of new insurance policies concluded in 2022) which, during a complicated stock market year, played their role of safe haven. With Belfius Invest Capital, Belfius Insurance was the first insurer to launch a Branch 21 product with a higher guaranteed return in the second half of the year.

Total reserves Life fell by 3.8%. They amounted to EUR 13.8 billion, mainly due to the negative market effect on the reserves of Branch 23 products.

Marc Rasière | CEO

“This is an excellent net result, unprecedented strength, and above all, growth in all segments of the Belgian company. It is the result of a clear long-term strategy which puts the customer at the centre of everything, disciplined balance sheet management and excellent commercial dynamics. This strategy is supported by both a strong brand and 10,000 Belgian talents – staff members and agents – who, within a unique corporate culture, make a difference for the customer every day. I am extremely grateful to them. Finally, I would like expressly to thank our customers for the trust they have placed in us over the years.”



Chris Sunt | Chairman of the Board of Directors

“Supporting Belgian society and strengthening its economy in a sustainable way: this is a commitment which we have been making for 11 years. In 2022, Belfius confirmed and strengthened this role with a solid net result of EUR 975 million, EUR 25 billion of new long-term financing to individuals, companies and the public and social sector, a prudent risk policy and a meticulously built-up equity cushion. This capital now amounts to EUR 11 billion for the entire Belfius Group. This allows us, subject to the approval of the competent authorities, to distribute a total dividend of EUR 384.4 million in 2023 (EUR 2.1 billion since 2011) to the shareholder. As for the rest of the profit, as in previous years and in accordance with our commitment, we will invest it in a sustainable way in the Belgian economy and society.”



Contact: Ulrike Pommée - Ulrike.pommee@belfius.be / press@belfius.be - 02 222 02 57 - www.belfius.com

Key figures

CONSOLIDATED STATEMENT OF INCOME		2021	2022
<i>(in millions of EUR)</i>			
INCOME		2,703	2,982
EXPENSES		-1,477	-1,620
GROSS INCOME		1,226	1,362
Impairments on financial instruments and provisions for credit commitments		1	-106
Impairments on tangible and intangible assets		-2	-2
NET INCOME BEFORE TAX		1,226	1,255
Tax (expense) income		-290	-279
NET INCOME AFTER TAX		936	976
Non-controlling interests		1	1
NET INCOME GROUP SHARE		935	975
Of which Bank		716	762
Insurance ⁽¹⁾		219	212

(1) Contribution of the Belfius Insurance Group to the consolidated statement of income.

CONSOLIDATED BALANCE SHEET		31/12/21	31/12/22
<i>(in millions of EUR)</i>			
TOTAL ASSETS		192,151	179,466
Of which Cash and balances with central banks		31,640	27,295
Loans and advances due from credit institutions		10,411	4,144
Loans and advances		102,679	110,311
Debt securities & equity instruments		27,195	23,027
Unit linked products insurance activities		4,246	3,970
Derivatives		8,909	5,893
TOTAL LIABILITIES		180,658	167,845
Of which Cash and balances from central banks		15,418	5,904
Credit institutions borrowings and deposits		3,591	1,870
Borrowings and deposits		104,404	108,447
Debt securities issued and other financial liabilities		23,145	25,929
Unit linked products insurance activities		4,246	3,970
Derivatives		14,019	8,249
TOTAL SHAREHOLDERS' EQUITY		10,963	11,089
Of which Shareholders' core equity		10,560	11,167
Gains and losses not recognised in the statement of income		403	-78
TOTAL EQUITY		11,493	11,621
Of which Total shareholders' equity		10,963	11,089
Additional Tier-1 instruments included in equity		497	497
Non-controlling interests		33	35

RATIOS⁽¹⁾	31/12/21	31/12/22
Return on equity (ROE)	9.2%	9.1%
Return on assets (ROA)	0.48%	0.51%
Cost-income ratio (C/I-ratio)	54.6%	54.3%
Asset quality ratio	1.95%	1.82%
Coverage ratio	60.4%	59.6%
Liquidity Coverage Ratio (LCR) ⁽²⁾	195%	173%
Net Stable Funding Ratio (NSFR)	136%	135%

(1) Non Unaudited.

(2) 12-month average.

SOLVENCY RATIOS	31/12/21	31/12/22
CET 1-capital ratio ⁽¹⁾	16.4%	16.5%
Tier 1-capital ratio ⁽¹⁾	17.1%	17.3%
Total capital ratio ⁽¹⁾	19.8%	19.8%
Leverage ratio ⁽²⁾	7.1%	6.3%
Solvency II - ratio (before dividend)	200%	205%
Solvency II - ratio (after dividend)	190%	193%

(1) For the determination of the Capital ratios under Basel III, the regulatory authority asks Belfius Bank to apply a prudential deconsolidation of Belfius Insurance and to apply a risk weighting of 370% on the equity instruments held by Belfius Bank in Belfius Insurance after deduction of goodwill. This is commonly known as "Danish compromise".

(2) Note that the allowed Covid-19 relief measure, to exclude part of the exposures to Central Banks, expired on 1 April 2022. The leverage ratio at 31 December 2021 without this relief measure amounted to 5.93%.

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