



Sustainable Development 2012

Belfius commits itself to the future

Table of contents

- Message from the Chairman p. 1
- Profile of Belfius p. 2
- Responsible management of human resources p. 4
- Group governance structure p. 5
- Key figures p. 6
- Strategy on sustainable development:
Belfius investing in the future p. 7
- Energy efficiency:
a topic for priority action in 2012 p. 8

Our economic commitment p. 9

- Economic situation and outlook p. 11
- Socially responsible policy on investing p. 14

Our commitment on sound governance p. 20

- Corporate governance p. 22
- The Global Compact p. 25
- Compliance Charter p. 26
- Responsible customer relationships p. 28
- Responsible supplier relationships p. 30

Our social commitment p. 31

- Support for the community p. 33
- Patronage p. 39
- Our staff p. 43

Our commitment to our customers p. 47

- Impact on the environment for our personal customers p. 49
- Impact on the environment for our public and
business customers p. 50
- Social impact for our personal customers p. 53
- Social impact for our government and
business customers p. 55

Our environmental commitment p. 57

- Energy p. 59
- Mobility p. 62
- Waste p. 67
- Carbon footprint: down sharply p. 69
- Prize and awards p. 70

- Correlation table p. 72

Message from the Chairman

Belfius commits itself to the future

As a representative of the Board of Directors, the Management Board and on behalf of all our staff, I am very happy to present you with our vision for sustainable development within Belfius. In publishing this report for 2012, my wish is to outline the main programmes undertaken by our group for the purpose of bringing genuine added value to our customers, the company and all of our stakeholders by responding to the great economic, social and environmental challenges that face us.

In the history of the bank, 2012 was certainly a milestone. On 1st March, we became Belfius. Far more than just a simple change of name, this event signified the beginning of the rebirth of our company as we seek to achieve our aim of repositioning ourselves on the local market and re-establishing ourselves more than ever as a banking and insurance group for the person in the street: purposeful and energetic, crystal-clear in our communication and working on behalf of the fabric of Belgium's economy.

Since the dramatic financial situation that occurred in 2011, the trust of our 4 million customers has enabled us to return to profit, improve our liquidity profile and grant loans totalling almost EUR 10 billion to private individuals, public institutions and companies. And to round off 2012 in style, the European Commission approved our strategic plan 2013-2016, thereby confirming the robust nature of our new business model and heralding a sustainable, autonomous future for the bank.

This year, despite the difficult economic and financial environment, we have continued to focus all of our energy on pursuing our proactive policy on sustainable development, steadfast in our desire to invest in the future and demonstrating the vision we hold of our profession as bankers and insurers, working in the long term for the benefit of future generations.

This ethical and ecological mission has also given us the opportunity to rethink the way we are organised in order to guarantee a more sustainable method of operating. As an example of this, we have succeeded in just a matter of a few years in reducing our consumption of primary energy at our central offices by more than 50%. This ongoing effort has borne other fruit, too, because the bank's Galilée building has become the 20th

building in the Brussels Capital Region to be awarded the maximum of 3 stars for the quality of its environmental management and its energy efficiency.

But we will not be resting on our laurels. Sustainable development is now at the centre of our day-to-day preoccupations. The years ahead will see the advent of a whole series of new, simple and responsible services created to make life easier for all of our customers and to help guide them in their own processes for sustainable development. It was also with this in mind that our new bank has signed up to the 10 principles of the Global Compact, a United Nations initiative aimed at encouraging businesses all over the world to adopt a socially responsible attitude by undertaking to become involved and promoting a number of principles relating amongst others to human rights, working conditions and the fight against corruption.

In 2012, our Sustainable Development Report has been given a makeover. Beginning this year, it is being produced based on the GRI¹ model. The Report covers five major areas:

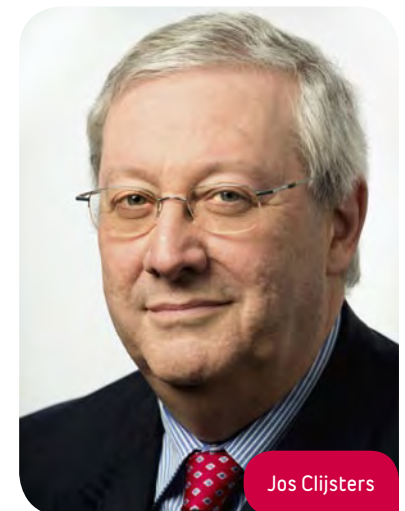
- our economic commitment;
- our commitment on sound governance;
- our social commitment;
- our commitment to our customers;
- our environmental commitment.

This new model is also the base used for the report issued by Febelfin on Corporate Social Responsibility in the financial sector in Belgium, to which Belfius contributed. Far from being a final outcome, it will enable us in the future to clearly identify points for improvement aimed at more responsible development.

We hope you enjoy reading this report.

Jos Clijsters
Chairman of the Management Board

Our aim is to reposition ourselves on the local market and re-establish ourselves more than ever as a banking and insurance group for the person in the street: purposeful and energetic, crystal-clear in our communication, and working on behalf of the fabric of Belgium's economy.



Jos Clijsters

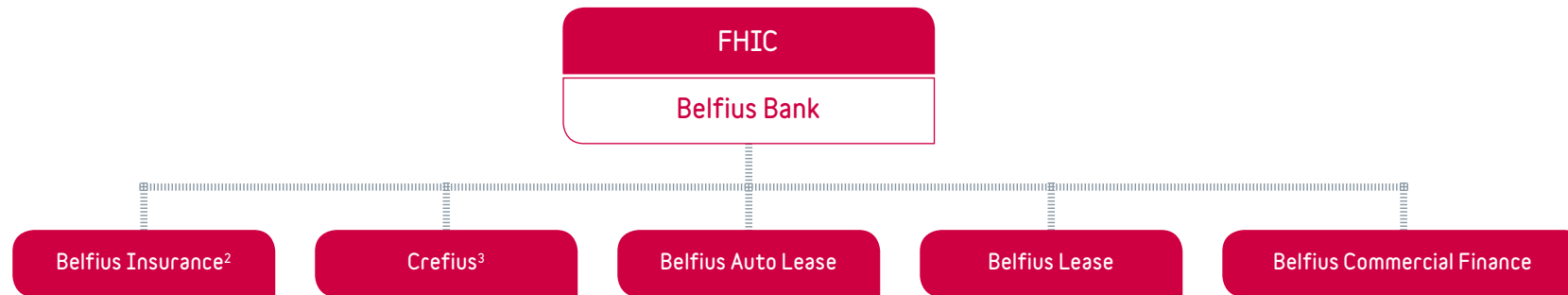
Chairman of the Management Board

(1) The aim of the Global Reporting Initiative is to develop an international standard through the publication of guidelines listing the areas of information that must be featured in reports to ensure they are complete, reliable and comparable from one company to another.

Profile of Belfius

Belfius is a public limited company under private law. It is an independent, 100% Belgian banking and insurance group wholly owned by the Belgian Federal State through the Federal Holding and Investment Company (FHIC).

Simplified group structure¹



Our mission

Belfius is an independent banking and insurance group, established locally. It offers its services to private individuals, professionals, companies, public authorities (municipalities, regions, etc.) and social profit institutions (hospitals, schools, retirement homes, etc.).

With a mainly Belgian balance sheet for all of its commercial business lines and customers in all segments, Belfius can present itself as a universal bank “belonging to and operating for the Belgian society”. Belfius aims to maximise customer satisfaction and make a contribution to society by providing value-added products and services through a modern proximity banking model.

We seek to achieve a healthy financial profile, reflected in a prudent investment strategy and a carefully managed risk profile, creating a strong position in terms of liquidity and solvency.

(1) As at 1 February 2013. For more details, see the list of subsidiaries of the consolidated financial statements in the annual report 2012.

(2) Belfius Insurance applies a multichannel strategy: (i) a bank-insurance approach via Belfius Bank’s network, (ii) an exclusive network of independent agents (Les AP brand), and (iii) a direct insurer (Corona Direct). This multichannel approach was extended to the Elantis brand in 2012, which was purchased from Belfius Bank and offers mortgages through independent brokers.

(3) Crefius is active in the granting and management of mortgage loans.

Our activities

Belfius' commercial activities are based on three business lines:

1. Retail and Commercial Banking

With 50 years of experience as a local banking and insurance company, Belfius offers a comprehensive range of products and services to private individuals, the self-employed and SMEs. The bank is ranked in the Top 3 banking institutions in Belgium and serves four million customers who choose the type of relationship that suits them best: face-to-face in one of our 796 branches, or remote channels using automatic banking machines, telephone, Internet and mobile Internet. This means that the bank is accessible from anywhere in the world, 24 hours a day.

2. Public and Wholesale Banking

For over 150 years, Belfius has been the preferred partner of public and social sector organisations in Belgium (hospitals, schools, retirement homes, etc.). Our bank provides local institutions with a complete and integrated range of products and services that includes credit lending, cashflow management, budget optimisation, environmental and IT financial solutions, etc.

The bank's lending business to large corporations concentrates mainly on companies operating in Belgium, with particular focus on medium-sized enterprises (Corporate).

Belfius is an independent banking and insurance group wholly owned by the Belgian Federal State

For over 150 years, Belfius has been the preferred partner of public and social sector organisations in Belgium

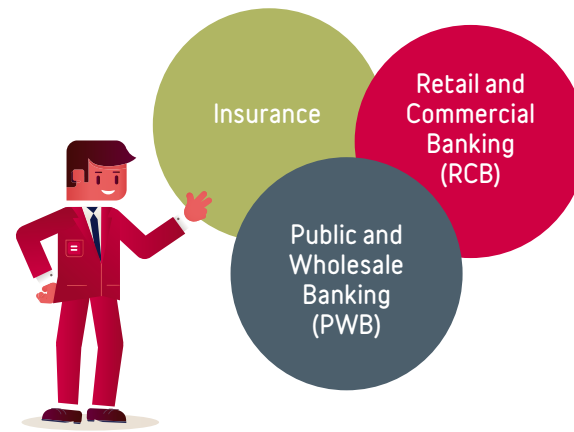
3. Insurance

Belfius Insurance, a fully owned subsidiary of Belfius, operates in the Belgian insurance market, providing a comprehensive range of Life and Non-Life products to private individuals, the self-employed and businesses, as well as to the public and social profit sectors. It conducts its business through three brands and distribution channels:

- Les AP Assurances, through a network of independent agents;
- Belfius Insurance, through Belfius Bank's distribution networks;
- Corona Direct, a direct insurer.

This multichannel approach was extended in 2012 to the Elantis brand, acquired by Belfius Insurance from Belfius Bank, which provides mortgages through independent brokers.

You will find more information about our strategy and profile in Belfius Bank's 2012 annual report (p. 18 - 26).



Belfius offers a comprehensive range of financial products and services to its 4 million personal, professional, self-employed and SME customers.



Want more information?

Belfius Bank's annual report is available on www.belfius.be

(Financial Com - Annual Reports)

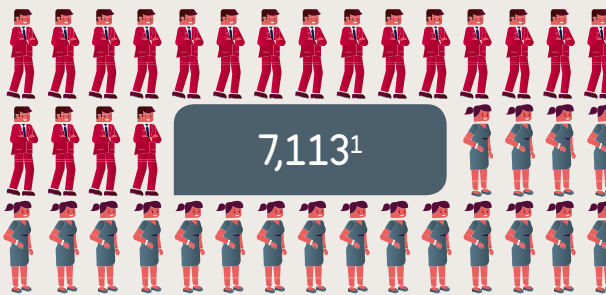


Responsible management of human resources

2012 was a difficult year for managing human resources against a background faced with a dual challenge:

- to conduct social negotiations in the context of the 2016 Plan approved by the European Commission in relation to changes in the remuneration policy and the reduction in staff numbers, in line with Belfius' new positioning and in the currently difficult macro-economic and regulatory environment;
- to put into structural effect, internally, the commitments made by Belfius as a locally-based relationship bank offering added value for society and also implement new HR processes and a new corporate culture.

Key figures as at 31 December 2012 - Belfius Bank & Insurance workforce



Average length of service **19.3 years**

18.9% of staff worked for Belfius for less than 10 years

Average age **44.6 years**

45.6 years **43.4 years**

15.9% of staff work part-time

14.3% of staff are under 35

2% fixed-term contracts

19.2% of staff are under 40

(1) Active members of staff, excluding independent networks of agents.

Group governance structure

(situation as at 31-12-2012)

	Main function	Non-executive director	Member of the Management Board	Independent director	Strategy Committee	Audit Committee	Appointments and Compensation Committee	Risk & Capital Management Committee
Alfred Bouckaert	Chairman of the Board of Directors of Belfius Bank SA	■		■	■		■	■
Jos Clijsters	Chairman of the Management Board of Belfius Bank SA		■		■			
Marc Lauwers	Vice-Chairman of the Management Board of Belfius Bank SA, responsible for Retail and Commercial Banking		■					
Johan Vankelecom	Member of the Management Board of Belfius Bank SA, Chief Financial Officer, responsible for Financial Reporting, Research, Liquidity & Capital Management, Financial Communication and Asset & Liability Management		■					
Ann De Roeck	Member of the Management Board of Belfius Bank SA (until 31 December 2012) and General Secretary of Belfius Bank SA, responsible for Compliance, Legal and Fiscal Services, Wealth Analysis & Planning and General Secretariat & Participations		■					
Dirk Gyselincx	Member of the Management Board of Belfius Bank SA, responsible for Public and Wholesale Banking		■					
Dirk Vanderschrick	Member of the Management Board of Belfius Bank SA, responsible for Treasury and Financial Markets		■					
Eric Hermann	Member of the Management Board of Belfius Bank SA, Chief Risk Officer		■					
Roger Leyskens	Member of the Management Board of Belfius Bank SA (until 31 December 2012), responsible for Human Resources Management		■					
Luc Van Thielen	Member of the Management Board of Belfius Bank SA, Chief Operations Officer, responsible for IT, Operations, Facility Management and Organisation		■					
Marie-Gemma Dequae	Former Risk Manager of the Bekaert Group, former Chairman of the Federation of European Risk Management Associations	■		■				
Wouter Devriendt	Independent consultant Federal Holding and Investment Company (FHIC)	■			■		■	
Carine Doutrelepont	Lawyer (took up her position on 4 December 2012)	■						
Pierre Francotte	Former CEO Euroclear and Professor at the Solvay Brussels School of Economics and Management	■		■				■
Guy Quaden	Honorary Governor of the National Bank of Belgium (took up his position on 1 April 2012)	■		■	■	■		
Chris Sunt	Lawyer	■				■		
Lutgart Van Den Berghe	Executive director at Guberna and Professor at the Vlerick Leuven Ghent Management School	■		■			■	
Rudi Vander Venet	Professor of Financial Economics and Banking - University of Ghent	■		■		■		■
Serge Wibaut	Independent consultant	■		■	■			■

■ Chairman



Key figures

Consolidated statement of income (In millions of EUR)	31/12/11	31/12/12
INCOME	66	2,458
EXPENSES	(1,610)	(1,593)
GROSS OPERATING INCOME	(1,544)	865
Cost of risk	(555)	(268)
Impairments on (in)tangible assets	(46)	0
PRE-TAX INCOME	(2,146)	597
Tax expenses	779	(180)
NET INCOME AFTER TAXES	(1,367)	417
Non-controlling interests	0	1
NET INCOME GROUP SHARE	(1,367)	415

Consolidated balance sheet (In millions of EUR)	31/12/11	31/12/12
TOTAL ASSETS	232,509	212,947
<i>of which</i>		
Loans and advances to banks and central banks	46,888	43,244
Loans and advances to customers	91,933	89,486
Financial assets at fair value through profit or loss and Financial investments	50,413	36,681
Derivatives	34,933	35,235
TOTAL LIABILITIES	229,234	207,588
<i>of which</i>		
Deposits from banks and central banks	59,415	40,440
Customer borrowings and deposits	70,265	66,649
Financial liabilities at fair value through profit or loss	11,082	10,463
Debt securities and Subordinated debt	27,047	27,479
Derivatives	41,373	41,766
TOTAL EQUITY	3,275	5,359
<i>of which</i>		
Core shareholders' equity	6,591	7,006
Gains and losses not recognised in the statement of income	(3,331)	(1,666)

Solvency ratios	31/12/11	31/12/12
Core tier 1 ratio	11.8%	13.3%
Tier 1 ratio	12.7%	13.3%
Capital adequacy ratio (CAD)	15.1%	13.8%

Strategy on sustainable development: Belfius commits itself to the future

At Belfius, we are strongly convinced that we have a role to play vis-à-vis Belgian society that goes beyond simply making profits. Our *raison d'être* is to develop and implement a new banking concept that is based close to our customers and that invests in the future. What counts for us more than anything is to include as part of our mission the desire to contribute to a better world - to forge greater progress that gives meaning and impetus to our process on sustainable development.

Our strategy on sustainable development is made up of 5 interconnected commitments:

- **Our commitment to business and the economy:** to strengthen and intensify our support for the community by redistributing funds from the “haves” to the “have-nots”, to grease the wheels of commerce and industry, to reduce risks and insecurity (see page 9).
- **Our commitment on sound governance:** to conduct our business professionally and responsibly in relation to our customers, as well as vis-à-vis all of our suppliers and other parties in the finance sector and community in the broad sense (see page 20).
- **Our social commitment:** to respond to the great challenges facing society, such as the ageing population and social integration. Our efforts are also focused on the sound personal and professional equilibrium of our own teams (see page 31).
- **Our commitment to our customers:** to develop products and services that are simple, safe and economical, designed to meet the real needs of our customers. Products and services that take account of the three dimensions of sustainability in the way they are structured: the environment, society and sound governance (see page 47).
- **Our commitment to the environment:** to conduct our business while constantly ensuring that we respect the environment and contribute towards the creation of a fundamentally different economy as we protect the planet (see page 57).

To accomplish the mission that Belfius has set itself, we are all guided by our determination to find innovative solutions for fulfilling our 5 commitments with total respect for the men and women involved - both inside and outside the bank - and for the communities of which they are part.



We are strongly convinced that we have a role to play vis-à-vis Belgian society, that goes beyond simply making profits.

Energy efficiency: a topic for priority action in 2012

The European Union has committed itself, between now and 2020, to reducing its consumption of primary energy by 20% by applying cost-effective energy-saving measures. This simple approach is designed to make the EU's economy more competitive, create jobs and open up new commercial avenues.

EU Plan 2011 for energy efficiency

Despite the significant measures already taken to reach its targets, recent estimates suggest that the EU will only achieve half of the targets it has set itself¹. As a result, on 8 March 2011, the EC adopted the "Energy Efficiency Plan 2011", which aims to reduce energy consumption through new, more practical measures.

The Energy Efficiency Plan 2011 is designed to:

- promote an economy that respects the Earth's resources;
- implement a system that produces low carbon emissions;
- improve the EU's energy efficiency;
- reinforce the security of energy supplies.

2012 priority for Belfius: low-energy buildings

Buildings represent the greatest potential for saving energy. For this reason, Belfius made it one of its priority themes in 2012 in terms of sustainable development. The bank decided to step up its efforts to adjust its products and services to meeting the EC's Energy Efficiency Plan 2011. The plan is based on tools enabling the process of refurbishing public and private buildings to be launched and to improve the energy performance of the electrical components and devices used in those buildings.

In addition, the European plan underlines the example that the public sector can set, suggesting on the one hand that the rate of public building renovation be speeded up by setting firm targets and, on the other, by introducing energy efficiency criteria in the area of public spending.

In practical terms, Belfius, as the leader in the public arena, intends:

- to help its customers improve the energy performance of their buildings by providing innovative funding solutions and appropriate advice (see pages 50 and 52);
- to take part in working groups run by BELESCO, bringing together the main players in the marketplace in terms of energy-related services;
- to set an example by taking a series of measures aimed at reducing energy consumption and the ecological footprint of its own buildings. These initiatives have already won a number of awards (see pages 59 and 61 et 70).

Belfius has made the energy efficiency of buildings one of its priority themes for 2012 in the area of sustainable development; our commitment has been renewed for 2013 and 2014.



To produce this Sustainable Development Report 2012, Belfius has based itself on version 3.0 of the Global Reporting Initiative (GRI). The bank's target is to achieve level B.

(1) According to the Commission's most recent estimates and considering the energy efficiency measures taken until December 2009.

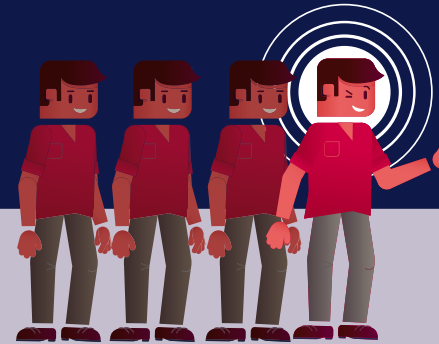
Our economic commitment



“A bank working on behalf of the local economy and entrepreneurship”

With a successful rebranding operation achieved in record time and almost EUR 10 billion in new loans granted in 2012, Belfius is implementing its aim of repositioning itself on the Belgian market and resuming its role more than ever as a banking and insurance group on a human scale, working on behalf of the local business fabric and supporting the spirit of enterprise. We are well aware of the social and environmental impacts associated with our profession as bankers and wish to demonstrate that we can contribute to the well-being of society and create wealth by putting people at the heart of our concerns and our plans for development.

Our economic commitment



Of the customers who invest in our funds, 25% invest in one of our 20 or so sustainable investment funds.

For us, socially responsible enterprise and creating well-being means make the most sustainable choices possible as to our investment policy, taking account of the scope of business we cover and the wishes of our customers.

Portfolio21

Over EUR 11 billion of our insurance reserves is invested in a socially responsible manner.

EUR 80 billion

With a loan portfolio approaching EUR 80 billion and deposits of approximately the same amount, we are a leading economic player.

EUR 3.3 billion

In 2012, we funded EUR 3.3 billion of public projects delivering direct added value for society (crèches, schools, road infrastructure, etc.).



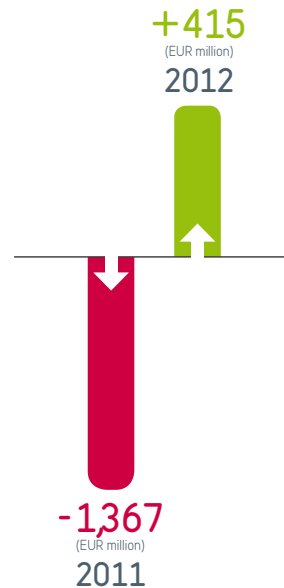
Economic situation and outlook

Objective: to regain the long-term trust of our customers

Belfius back in profit in 2012

After a difficult year in 2011, affected as it was by the European debt crisis and the break-up of the Dexia group, Belfius managed to redress the situation by rebounding from a loss of EUR 1.367 billion in 2011 to a positive net income Group share of EUR 415 million in 2012. This fine result speaks volumes for the strength of the bank's franchise, but was also partly due to a number of non-recurrent elements:

- In 2012, Belfius bought back part of its own Tier 1 and Tier 2 debts, resulting in a net accounting gain of EUR 508 million;
- This gain enabled Belfius to sustain its strategy of reducing the bank's risks. We very significantly lowered our risks on the GIPS countries (Greece, Ireland, Portugal and Spain), as well as on countries from Central and Eastern Europe (Hungary, Croatia).



We should also note the strong performance of Belfius Insurance, which repositioned itself and achieved promising results in 2012.

European Commission approves our strategic plan

On 28 December 2012, the European Commission approved the Belfius Strategic Plan 2016. Discussions with the Commission were conducted in total transparency, in a constructive and non-controversial atmosphere. In giving its approval, the European body confirmed the sustainable and autonomous future of the Belfius group, on condition that the plan is implemented in a consistent way.

This decision enables Belfius to continue devoting itself fully to the implementation of its strategic plan, the main lines of which are as follows:

- for the bank to continue refocusing on the Belgian economy, while at the same time promoting itself as a modern bank and maintaining the market shares of each business line in the various customer and business segments;
- to achieve steady, controlled growth in profits, which are to be allocated mainly to strengthening the bank's capital base with a view to the implementation of the regulatory reforms associated with Basle III and Solvency II;
- to maintain an ongoing effort to reduce recurrent overheads between now and the end of 2016.

Significant improvement in the liquidity profile

During the first nine months of 2012, Belfius made of improving its liquidity position an absolute priority. In doing so, we introduced a framework enabling the centralised management of liquidity and synergies between the bank and the insurance arm. We also limited activities involving the consumption of liquid resources, converted some of the assets on our balance sheet into liquid reserves, promoted the collection of deposits and substantially reduced funding to the Dexia group. As a result of these efforts, our regulatory liquidity indicators returned to green at the end of September 2012.



European Commission confirms the long-term and independent future of the Belfius group.

100% Belgian bank

Belfius has opted to reposition itself exclusively on the Belgian market, where the bank conducts its business in three main areas: retail and commercial banking, financial services to the public sector, and insurance.

Approximately EUR 80 billion in loans, as well as the equivalent in outstanding deposits make Belfius a significant player within the economy.

The bank collects savings deposits and investments via its distribution network. It then re-injects these funds back into society in the form of loans granted to private individuals, the self-employed, SMEs and professionals, as well as to businesses and, in particular, to public and social profit institutions. The insurance arm of Belfius provides services to the same segments through a multichannel approach.

We have a very sound financial base and all of the liquid resources needed to conduct our business as a banker to private individuals, professionals and public sector and social profit customers in a responsible manner.

Belfius Bank & Insurance fundamentals

Public & Social Banking	Public authorities, health, housing and education	Market leader	10,000 customers
	Retail Banking	Top 3	3.8 million customers
Individuals	Private Banking	Reference bank	48,000 customers
	Self-employed, professionals and SMEs	Top 4	193,000 customers
Professionals	Big businesses (turnover > EUR 10 million)	Strong positioning	5,500 customers

Figures as at 31-12-2012.

The customer at the heart of the banking relationship

The financial crisis and its impact on the economy have changed the nature of the relationship between the bank and consumers forever. That precious bond of trust has been weakened. Today, more than ever, we believe it is essential to take account of the expectations and needs of our customers. All the more so since a recent study from Deloitte shows that “a customer who trusts his main bank generates 27% more NBI than one who does not trust it”.

Yet this bond of trust will only be restored if we understand that the power is no longer in our hands, but in the hands of our customers. Also, we must have the courage to question our business model by finding the right balance between our own short-term financial interests and our customers’ interests, which are often long-term. And we need to do so by developing very strong bonds with them, by placing ourselves by their side, granting them respect and giving them the attention they deserve as we communicate with them in total transparency. To sum up, we need to look at customers as individuals and not just as account numbers.

Our aim is to place the personal relationship with our customers more at the centre of our priorities by providing:

- in-depth relationship management;
- an approach that is both open and honest;
- an innovative range of top-quality, customised products and services;
- advice with real added value;
- the availability of a network offering knowledge and skills;
- accessibility and availability 24 hours a day, 7 days a week.

This way, our retail and business customers will be able to experience a banking relationship that is long-term, straightforward and comfortable, with clear financial solutions and promises that are kept, with no unpleasant surprises.



We must have the courage to question our business model by finding the right balance between our own short-term financial interests and our customers’ interests, which are often long-term.

Socially responsible policy on investing

Objective: to refocus on the real economy

To be able to make a contribution towards economic and social development, Belfius seeks to act in a relevant and responsible manner. For the bank, this means restoring sense to money and returning equilibrium to the system by making the most sustainable choices possible on a day-to-day basis in terms of our investment policy, as well as by taking account of the scope of our business and especially the wishes of our customers.

In fact, as a local bank, we need to strengthen and intensify our support to the community by re-allocating the money of people who have plenty to people who need it to grease the wheels of commerce and industry, to reduce risks and vulnerability.

In this context, Belfius is able to propose that each of the different investor profiles invest their money sustainably by means of an investment insurance product, by investing in investment funds or lastly by a balance-sheet investment such as a savings account, or cash voucher, for which the bank itself invests through its production of loans.

Finally, we will continue to offer investors the ability (taking their specific features and capabilities into account, of course) of investing their savings directly in companies (by way of bonds) or in public authorities (via government bonds or commercial paper issued by various public organisations).

Portfolio21

The investments of our customers who subscribe to insurance investments (Branch 21) are managed by Belfius Insurance in accordance with the principles of Portfolio21. This innovative formula aims at contributing towards improving the quality of life of individuals by incorporating non-financial criteria and additional characteristics into the traditional processes of selecting and managing financial assets as part of total transparency. These criteria include economic, social, ecological and cultural progress on a local or global scale for current and future generations – and more particularly the respect of human rights in places of work, and environmental standards. In 2013, an application was made to expand the selection criteria of Portfolio21 to include other areas, such as the environment.

It should be noted that over 80% of Belfius' insurance reserves, including the supplementary pensions of our staff, are invested in a socially responsible manner. In 2012, the volume of assets invested in Portfolio21 was EUR 11.4 billion. This was a fall compared with 2011 due to the purchase of a portfolio of Belgian mortgages.



The volume of assets invested in Portfolio21 is currently EUR 11.4 billion.

Socially responsible investment funds (SRI)

In recent years, socially responsible investing (SRI) has broken the shackles of confidentiality to become a key element in the debate about the financial issues of globalisation. It has become the preferred path towards new ways of regulating capitalism. By including non-financial criteria in investment decisions and the management of portfolios, SRI funds in fact aim at achieving the same yields as traditional investments. However, they operate differently by selecting companies based on their performance in terms of sustainable development.

For over 15 years, Dexia Asset Management (DAM) has been our official provider in the area of investment funds. As a major, solidly based international player in the management of assets, DAM offers a comprehensive range of SRI solutions covering all regions of the world and encompassing the various categories of investment (shares, bonds, allocation of assets). When making its decisions, DAM systematically includes traditional financial criteria, as well as environmental, social and governance-related issues.



1 euro can only be invested once, but Belfius can always suggest investing it for the purpose of sustainable development.

These SRI solutions benefit from a careful investment process that effectively includes a variety of aspects:

- the best-in-class approach aims at selecting high-quality issuers – companies or countries – by sector or category, based on the way in which they tackle the challenges of sustainable development;
- the normative approach compares the compliance rules applied by some companies and countries in relation to universal principles.

Over the years, the SRI analyses and top-quality funds proposed by Dexia AM have been recognised by the financial world by way of various quality labels and distinctions. In 2012, the German magazine *EuroMagazin* voted one of Dexia AM's SRI solutions into first place in the category for "Best 3-year fund in the category for ecological/sustainable share funds".

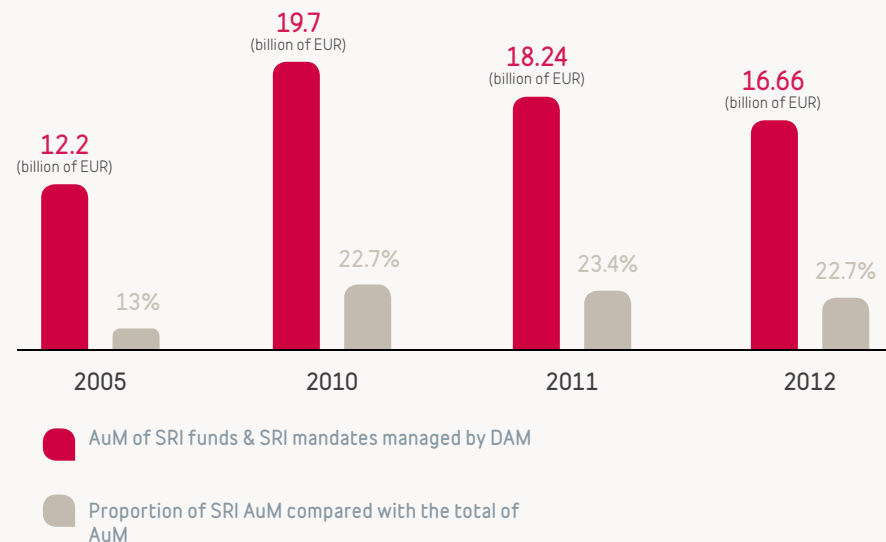
Today, these funds continue to be successful:

- 10% of the Belfius funds in circulation invest sustainably;
- Of the clients who invest in our funds, 25% invest in one of our 20 or so sustainable investment funds.



i Want more information?
Go to <http://sri.dexia-am.com>

SRI - Dexia Asset Management - key figures as at 31 December 2012



Financing the local needs

Objective: to support the public and social sector, SMEs and private individuals

In an uncertain economic and financial environment, we have demonstrated the strength of our business model: the model of a new bank for a new society, which puts the profits it makes to work on behalf of the community. In 2012, Belfius granted almost EUR 10 billion of new loans to its customers, local institutions, social or private enterprises and individuals.

Financial partner for the public and social sectors

In 2012, at the height of the crisis, Belfius mobilised all of its efforts in response to the scarcity of funding sources for the public and social sector. In the face of the risks that this threat poses for the economy and local development, we maintained our total support for the funding of projects for all of our customers in these sectors. In 2012, over EUR 3.3 billion was lent to public authorities to fund projects and structures offering a direct gain for society (childcare centres, schools, administrative buildings, road works, etc.).

Savings bonds for local projects

At the end of 2011, Belfius launched its annual "Savings bonds for local projects" campaign to support local initiatives. As a reminder, a savings bond is a simple product that dovetails perfectly with the bank's basic role, which is to collect funds from private individuals and, thanks to the investment of customers, fund local projects in Belgium. The amount raised by the campaign in 2012 was in excess of EUR 300 million.



i **Want more information?**
An interactive application has been launched on Google Maps and is accessible via www.belfius.be, « Public & Social » > Notre expertise > Nos réalisations > Réalisations dans le secteur Public & Social Banking.

Some of the long-term investment projects carried out by Belfius in 2012 include:

- **Antwerp:** construction of the new Livan tram line
 - Funding via a public-private partnership: EUR 92 million
- **Aquafin:** cleaning up of rubbish dumps, construction of water treatment plants and development of rainwater drains
 - Funding: EUR 25 million as a private investment, EUR 100 million as a syndicated loan, EUR 200 million as placement agent for the EIB
- **Ghent:** works to complete the ring-road
 - Funding via a public-private partnership: EUR 93 million
- **Mestdagh Group:** installation of over 8,000 solar panels on the roofs of 16 stores
 - Funding: EUR 7 million
- **Northwind:** construction of an offshore wind farm including 72 Vestas V112 3 MW turbines with an installed capacity of 216 MW, to meet the energy needs of 230,000 households
 - Funding via a public-private partnership: EUR 34 million and intervention as a Hedging Bank (to cover the rate risk)
- **ORES** (Gas and electricity network operator): general funding
 - Funding: EUR 110 million in the form of a bond issue
- **Raeren:** renovation and extension works on the infant and primary school
 - Funding: over EUR 12 million
- **Société wallonne des Eaux:** general funding
 - Funding: EUR 50 million
- **SPGE (Société Publique de Gestion de l'Eau):** cleaning up of waste water and harnessing protection
 - Funding: EUR 83 million: bond issue, private investment and placement agent for the EIB
- **Wanze:** construction of the new town hall
 - Funding: over EUR 11 million



In 2012, more than EUR 3.3 billion was lent to public authorities to finance projects.

Financial partner for SMEs

In 2012, faced with worsening payment terms and cashflow, businesses and more particularly SMEs, were also looking increasingly for funding or for solutions to reduce their need for essential working capital to enable them to ride out the financial crisis and develop further. Belfius wanted to provide them with an immediate response by introducing an offering tailored to their problems, as well as to those encountered by all self-employed workers and professionals. These products include Belfius Business Credit, Fiscoline, Belfius Commercial Finance and a unit dedicated to Working Capital Management in partnership with external specialists, etc. This programme enabled Belfius to offer over EUR 2 billion in loans to businesses during the course of 2012.

Funding SMEs is an important challenge when you realise that by creating over half of our wealth (58% added value)¹, small and medium-sized enterprises play a particularly significant role in the Belgian economy. This is due to their sheer numbers and the large share of the labour force that they employ (66% of all jobs)¹. Also, EUR 1 million of investment in a company generates six new jobs on average.

Tax Shelter

In 2009, Belfius and Casa Kafka Pictures signed an exclusive agreement to work together aimed at making it easier for companies to invest in audiovisual productions as part of the Tax Shelter system (which offers a tax incentive to businesses investing in Belgian film-making). Since then, over EUR 27 million has been invested by 104 companies in 49 Belgian productions, both French and Dutch language, via 'Casa Kafka Pictures Movie Tax Shelter empowered by Belfius'. The success of this programme has led Belfius and Casa Kafka Pictures to extend their collaborative agreement until 2015 as part of the Tax Shelter.

The feature films that benefited from the system include a number of films nominated for and winning awards in Belgium and abroad: "*Le Gamin au Vélo*" by Jean-Pierre and Luc Dardenne, "*Les Géants*" by Bouli Lanners and "*De Rouille et d'Os*" by Jacques Audiard. By enabling companies to invest directly and totally transparently in quality productions via the Tax Shelter and by advising and guiding them throughout each project, Belfius and Casa Kafka Pictures clearly intend to contribute towards the development of the

(1) Source : European Commission.

audiovisual industry in Belgium – and in doing so to support the many jobs that this industry generates on a local level.

Financial partner for start-up businesses

The support that Belfius provides to Belgian companies to assist and guide them through the various stages of their development – particularly in the early years – is genuinely decisive for their ability to continue trading. Belfius realises this by offering banking products to start-up businesses, as well as general support and advice.

Guarantee of the European Investment Fund

The European Investment Fund (EIF) and Belfius have signed a guarantee agreement as part of the Competitiveness Innovation Programme (CIP), which is designed to make it easier for start-up companies to benefit from a substantial reduction in the guarantees that they are required to provide. The CIP guarantee will cover SME investment loans granted by Belfius to young businesses. The agreement should generate a new portfolio of loans in the order of EUR 450 million over the next two years. 2,000 Belgian start-up businesses are likely to take advantage of this guarantee and hence gain access to loans totalling a maximum of EUR 500,000.

Promoting the spirit of enterprise

And because it is not sufficient merely to start up a business, but also for it to make a name for itself, Belfius decided to give a helping hand to eleven start-ups – one in each of the ten provinces and one in the Brussels Capital Region – by advising them and paying for the cost of their next (or first) advertising campaign up to an amount of EUR 5,000. In addition to providing technical, theoretical and banking assistance, the bank intends to go even further by sharing its in-house skills with these entrepreneurs in the area of advertising, depending on the specific nature of their business.



**EUR 27 million
invested in 49
audiovisual
productions in
three years**

At the end of its call for applications, the judging panels for the Walloon Region voted to support:

- **Dynamic Flows** from Lasne;
- **Negundo Sport** from Marquain;
- **Opale** from Liège;
- **Vivalangues** from Bastogne;
- the **Centre Médical Corps-Santé** in Gembloux.

Thanks to the CIP guarantee, 2,000 start-up businesses should be able to access loans up to a maximum of EUR 500,000.

In the Brussels Capital Region, the panel's choice fell on:

- the **CKB physiotherapy and rehabilitation centre** in Ixelles.

In Flanders, the five businesses supported are:

- **Nordag** in Genk;
- **Elke Van Herck - Exclusive Jewellery** in Herentals;
- **Arc3c** in Liedekerke;
- **Pastagroup** in Louvain;
- **PozO** in Ostende.

Working via www.boostbelgium.be and in collaboration with MasterCard, our bank also rewarded a number of business creation projects and SMEs (operating less than 3 years) distinguished by promoting Belgian products and services. In total, 243 applications were submitted at the website, only 10 of which were selected for the grand finale. In this case, the votes came from a professional jury and the public. The young company, **Skinoo**, which won the competition, was awarded the sum of EUR 15,000.

Belfius was also one of the main sponsors of the "Starter!" broadcast on RTBF and of "Topstarter" on VRT. In particular, the candidates on the shows were assisted by a Belfius coach who specialises in the funding of business start-ups. In addition, the bank also helped the production side of the programmes by assisting in the pre-selection of candidates and including 2 members of Belfius staff on the judging panels, as well as a marketing specialist and a business banking expert. The winner of "Starter!" Season 2 was **Philippine Goethals**, from Walloon Brabant, for her "Corner coiffure" project.

Dries Henau and **Yuri Vandenbogaerde**, the initiators of the "Wasbar" concept (a bar-laundrette), won the final of "Topstarter".

Financial partner for private individuals

Despite the general shortage of cash, personal loans continued to be granted this year at Belfius. It is true that the annual rate of growth in outstanding funds fell as the result of the poor economic climate, but many Belgian households were nevertheless attracted by the fall in property prices and the reduction in interest rates, enabling them to become owners of their own home, or to finance home renovations, a project, a dream, etc. In total, over EUR 3.5 billion was granted in loans by the bank in 2012 in the form of mortgages or consumer loans.

But a financial crisis also means there are people who encounter financial difficulties, whether on a temporary basis or more structurally... This segment of the population needs to be guided and given more 'societal' advice away from the bank, such as how best to manage their budget, what type of aid they are entitled to and how to collect it, etc. This means it is very important to work more with all of the social providers, such as the Public Social Action Centres. Only they are capable of giving assistance in taking on a certain number of customers with specific difficulties (see chapter on Social Context).



Our commitment on sound governance



“A bank that conducts its business professionally and responsibly”

Staff, shareholders, management and Board of Directors: we are all committed at Belfius to conducting our business professionally and responsibly vis-à-vis our customers, as our suppliers, other providers in the finance sector and the community at large. By signing the Global Compact in 2013, our aim is to share the conviction that commercial practices based on a certain number of principles will contribute towards the emergence of a world market that is more stable, more equitable and more open, with companies that are prosperous and dynamic.

Our commitment on sound governance

Belfius is a partner for the Public Governance Centre. This Centre aims to play a pioneering role in the development of sound governance for organisations operating in the public sector in Belgium.

10,000

We are one of the country's leading employers. The jobs that we generate directly and indirectly number 10,000.



New rules on governance were introduced at the time the autonomous entity of Belfius was created at the end of 2011. These included the installation of a totally new Board of Directors and various specialist committees. The key words applied in doing so were: internal and external transparency, and sound governance.

We work exclusively with suppliers who respect Human Rights. Our watchwords are Integrity and Compliance. We fight against money laundering and the funding of terrorism. We do everything we can to avoid any abuse of trust or conflict of interest.



4 portraits

Listening to customers and taking their needs into account form the foundation of a sustainable relationship. That's why we work with 4 investor portraits, which help customers to identify the right investment, tailored to their needs.

Corporate governance

Objective: to improve the risk management and strengthen ethics

We want to learn from our past mistakes. Since the financial crisis, we have been committed to improving our corporate governance and refocusing our attention on our core activities.

In 2012, we took a critical look at the structure and operation of the Belfius group for the purpose of conducting an in-depth assessment of our company's processes and regulations in each of its main sectors, regions and activities.

This process, which was conducted over a number of months, resulted in the reorganisation of our Board of Directors and the introduction of various committees charged with monitoring compliance with our rules of governance. Each of these committees specialises in a number of specific areas, such as strategy and results, management of risks and capital, appointments and the remuneration policy.

At the same time, the organisational structure was optimised in order to respond better to current and future challenges and to strive towards achieving maximum efficiency. Everyone's opinion was taken into account: we encouraged all of our staff to raise any concerns they may have had, either with their superiors or via the various tools made available to them for this purpose.

New, more robust rules regarding risk management

One of the priorities of our 'new' bank was the introduction of a framework aimed at detailing the policy used for managing risks and coordinating the strategic, tactical and operational areas of our business.

One of the first assignments set by our Risk Management department was to achieve maximum control over the risks contained in the Legacy portfolio, which has been part of the bank's bond portfolio since Belfius separated from the Dexia group. With this aim in mind, a specific Portfolio Risk Management team was created. Much of the team's work has been devoted to reducing this portfolio and the risks that go with it.

Initially emphasis was placed, successfully, on quickly reducing the risk associated with the bank's positions on the sovereign debt of peripheral European countries. Attention was then switched to other parts of the portfolio, with measures taken to restrict potential losses, rein in the volatility of the balance sheet and statement of income, reduce capital immobilisation and improve the portfolio's liquidity.

Want more information?
Consult our annual report 2012.



We have reviewed all of the processes and regulations that affect the way in which the company is run and controlled internally.

Governance

Risk governance at Belfius is based along two main lines:

- structure of the Risk Committees;
- strategic appetite for risk.

Risk Committees

The cornerstone of this new governance is now made up of a cohesive group of Risk Committees for Belfius (excluding Dexia), whose role and powers are defined in accordance with the bank's commercial and financial objectives, while complying with external environmental factors in terms of regulation and audit.

Strategic level

Three committees have been introduced within the Management Board. These committees are steered by the Risk Management department and meet at least once a quarter:

- the Risk Policy Committee, responsible principally for:
 - the priorities and planning relative to Risk Management Policies;
 - the lifecycle model and the regulatory agenda (NBB).
- the Risk Appetite Committee, responsible principally for:
 - the presentation, follow-up and monitoring of the framework for risk appetite, managing requirements for economic and regulatory equity capital and the way it is allocated;
 - conducting and assessing stress tests.
- The Basel III Steering Committee, which assumes a key role in implementing Basel III regulations. An organisational structure has been established to enable this committee to play its role properly. This structure is based on four working groups, each with its own specific sphere of action and benefiting from the involvement of the business lines:
 - credit and market risk;
 - capital, liquidity and leverage;
 - IT systems and reporting;
 - business review.

There are two functional areas in addition to these three committees: one covers credit-related issues, while the other deals with operating risks. They also report to the Management Board, although there is no separate committee in place for this purpose.

Tactical/operational level

The Management Board delegates certain decisions to a tactical/operational level. The terms of this delegation are set out in the charters in effect for the committees. For matters that do not come under the powers of delegation, the tactical/operational level provides information or submits opinions to the Management Board, which takes the final decisions.

The committees that form part of the tactical/operational level are those on which Risk Management usually sits with the business. Emphasis is placed on directives, transactions and counterparty risk. Risk Management has a right of veto on these committees, as well as the option to refer the decision to a higher level.



Risk appetite

Risk appetite expresses the level of risk that an institution is willing to take in view of the expectations of the main stakeholders (shareholders, creditors, regulators, ratings agencies, customers, etc.) to achieve its strategic and financial objectives.

Based on a holistic approach, risk appetite is a benchmark for:

- guiding strategy and planning;
- managing performance in terms of growth and value creation;
- facilitating investment decisions on a day-to-day basis.



STRESS TESTS

Belfius has implemented its own, stronger governance in the area of stress tests exercises aimed at taking a transversal, integrated approach to the process of managing the risks of the bank and the insurance company.

The aim of stress tests is to take a situation involving an adverse shock and measure the bank's sensitivity in terms of the expected losses, weighted risks, liquidity and equity capital requirements.

In 2012, the bank conducted a series of stress tests (sensitivity analysis, analysis by scenario, evaluation of potential vulnerabilities) enabling it to make an assessment of the possible effects that a hypothetical event or combination of events might have on its financial equilibrium. Belfius also took part in the stress tests exercises carried out as part of the Belgian Financial Sector Assessment Programme, conducted by the International Monetary Fund with the backing of the National Bank of Belgium in the fourth quarter of 2012.

Belfius's risk appetite is illustrated by a series of ratios that form a key element for defining limits at the level of major financial equilibriums. This framework is based on a mix of accounting (gearing), regulatory (Tier 1, weighted risks) and economic (economic equity capital, Earnings at Risk) ratios, incorporating liquidity and funding structure ratios, as well as limits for credit concentration.

Limits are set for each of these ratios and are approved every year by the relevant bodies in the bank. The Risk Management and Finance departments are responsible for monitoring these ratios and, where appropriate, they put forward measures to the Management Board to ensure that the limits set are complied with.

In 2012, Belfius reviewed the framework for its risk appetite in order to gear it towards the context of an independent group, complete with a strategy and revised objectives. This adjusted framework was approved by the Board of Directors. In addition to the quantitative elements already present, a qualitative part was also added in order to bind the bank's key missions more explicitly to its risk framework.

You will find detailed information about our corporate governance, compensation policy and human resources management in our annual report 2012 (p. 49-59).

In 2012, Belfius reviewed the framework for its risk appetite in order to gear it towards the context of an independent group, complete with a strategy and revised objectives.

The Global Compact

Objective: to encourage member companies to conduct their business in line with the 10 principles laid down in the Global Compact.

Belfius has just signed the Global Compact created by the United Nations. This is a pact under which companies commit to aligning their operations and strategies with ten universally accepted principles touching on human rights, working standards, the environment and the fight against corruption.

The effective implementation of the principles stated in the Global Compact assumes:

- their integration as part of the company's strategy and activity;
- a clear undertaking on the part of the company's management;
- informing all of the company's staff, managers and employees to ensure that the principles are applied by everyone;
- the creation within the company of a favourable environment for new ideas and innovation;
- the definition of measurable targets and the implementation of a transparent communication system relating to the progress made;
- the desire and ability to learn and adapt;
- the determination to take practical measures;
- the willingness to cooperate and conduct dialogue with other stakeholders.

In a nutshell, the aim of our policy on integrity is to promote honest, open and ethical conduct and to ensure compliance with the laws, regulations and other professional standards, as well as compliance with the Belfius code of ethics, codes of conduct and other internal policies aimed at highlighting and protecting our reputation.

Signing the Global Compact not only engages the responsibility of the company as a whole, but also that of its directors.



The ten principles of the Global Compact

- **Human rights**
 - Principle 1: Promote and respect internationally recognised human rights;
 - Principle 2: Not be complicit in violations of fundamental rights.
- **Working standards**
 - Principle 3: Respect the exercise of freedom of association and recognise the right to collective bargaining;
 - Principle 4: Eliminate all forms of forced and compulsory work;
 - Principle 5: Abolish child labour;
 - Principle 6: Eliminate discrimination in the area of employment and exercising a profession.
- **Environment**
 - Principle 7: Promote a prudent approach to the major problems affecting the environment;
 - Principle 8: Take initiatives to promote more responsible environmental practices;
 - Principle 9: Encourage the development and dissemination of technologies that respect the environment.
- **Fight against corruption**
 - Principle 10: Act against corruption in all its forms, including the extortion of funds and kickbacks.

Want more information?
Go to
www.unglobalcompact.org



Compliance Charter

The Compliance Charter sets out the role and areas of power of the Compliance function, presenting the principles of governance that underpin the approach adopted by Belfius in this area.

Fight against money-laundering and the funding of terrorism

We attach the greatest importance to the sound management of the risks relating to money-laundering and the funding of terrorism, as well as to effective compliance with the associated national and international obligations.

In compliance with regulations in the matter, the bank has defined a series of general policies and operating procedures detailing the obligations and formalities that apply in the areas of:

- knowledge and identification of customers, representatives, trustees and effective beneficiaries;
- monitoring account and business relations throughout the relationship;
- monitoring operations and detecting suspicious transactions;
- cooperation with the regulatory and judicial authorities in the event of a suspicion of money-laundering or funding terrorism, in accordance with the applicable requirements.

Market abuse and personal transactions

Belfius has implemented measures aimed at managing the risk of market abuse (insider trading and manipulation of prices). These measures take the form mainly of a policy aimed at preventing insider trading in relation to financial instruments and a policy relative to personal transactions conducted by the individuals concerned. They also involve rules on confidentiality, establishing lists of insiders and “Chinese walls” within the bank.

Integrity and duty of care

In the context of the MiFID directive (Markets in Financial Instruments Directive), we have implemented standards designed to ensure a high level of protection for investors, such as standards relative to the classification of customers, risk profiles and “Best Execution”. MiFID monitoring, introduced in 2008, includes indicators and tests relating to the MiFID directive.

Monitoring is increasingly fine-tuned as products and services are developed. Data regarding customer requirements is tested and updated constantly.

Belfius Funding (NL)
Generation United Step Up 12/2015
 Niveau de risque: **Belfius Way**
 Portait d'investisseur

Obligation à taux fixe en EUR
 Novembre 2012

Vous êtes à la recherche d'un investissement...

- qui donne droit à un remboursement de 100 % du capital investi (avant frais) à l'échéance finale, sauf en cas de faillite ou défaut de paiement de l'emetteur et du garant ;
- qui vous donne droit à un rendement semestriel connu à l'avance ;
- d'une durée de 3 ans.

Belfius Banque vous propose :
Belfius Funding (NL) Generation United Step Up 12/2015
 Durée : 3 ans (du 07-12-2015 au 07-12-2018).

L'obligation Belfius Funding (NL) Generation United Step Up 12/2015 vous offre des coupons semestriels **préablement connus**.

À l'échéance finale, vous avez droit au remboursement total (avant frais) du capital investi, sauf en cas de faillite ou défaut de paiement de l'emetteur et du garant.

En investissant dans le Belfius Funding (NL) Generation United Step Up 12/2015, vous devez également pour le commercial. Belfius Banque s'engage à utiliser l'argent récolté en priorité dans le cadre de projets qui profitent tout particulièrement à la jeune génération ou aux seniors, tels que la construction ou rénovation de maisons de repos, d'hôpitaux...

Vous avez droit à...

Date du coupon	Coupon brut en base annuelle*	Montant indicatif brut par investissement de 10 000 EUR**
07-06-2013	1,25 %	62,30 EUR
07-12-2013	1,55 %	77,70 EUR
07-06-2014	1,85 %	92,20 EUR
07-12-2014	2,15 %	107,80 EUR
07-06-2015	2,45 %	122,20 EUR
07-12-2015	2,75 %	137,90 EUR
Montant indicatif brut total		600,10 EUR

* Avant retenue du précompte mobilier de 21 %, éventuellement majoré de 1 % de déduction supplémentaire sur les revenus de capitaux mobiliers.
 ** Montant indicatif basé sur un investissement de 10 000 EUR. Ce montant est le montant théorique et ne tient pas compte des frais de souscription et de gestion. Les coupons peuvent être calculés sur la base du nombre effectif de jours courus durant la semaine concernée.
 Ces montants indicatifs sont sans garantie de Belfius et s'agissent de données de référence.

Le produit qui vous est proposé est un instrument de dette. En souscrivant à cet instrument, vous prêtez de l'argent à l'emetteur qui s'engage à payer certains montants. L'emetteur s'engage à rembourser au moins le capital à l'échéance finale. En cas de défaut de paiement (à la suite d'une faillite, par exemple) de l'emetteur et du garant, vous courez le risque de ne pas récupérer les montants auxquels vous avez droit et de perdre le montant investi. Les risques liés à ce produit se trouvent à la page 2.

Comment souscrire ?
 Vous pouvez souscrire du 09-11-2012 au 30-11-2012 inclus avant 16 heures (sauf diffusion anticipée dans votre agence de Belfius Banque ou via Belfius Direct Net. Vous pouvez adresser toutes vos questions à Belfius Contact au numéro 10 200 20 01 ou via « Contact » sur le site www.belfius.be

112

In the context of the MiFID directive, we have implemented standards designed to ensure a high level of protection for investors.

Protection of data and professional secrecy

Compliance with requirements in terms of professional discretion is essential, particularly with a view to preserving our reputation. There are procedures in place in this regard on a number of levels (employees, customers, transactions) to comply with regulations.

Conflicts of interest

Because our activities and customers are so diverse, there is a need to manage the risk of conflicts of interest. An overall policy sets out the main lines of managing this risk, but it is through the work of committees and the decision-making processes of mandates, new products and services that the prevention of conflicts of interest is incorporated into the way Belfius operates.

External mandates

In-house rules have been adopted to govern any external functions that may be carried out by managers pursuant to the general regulations or principles on preventing conflicts of interest.

Independence of the company auditors

Belfius has a policy aimed at guaranteeing the independence of its company auditors. This includes checking to see whether any assignment might be of a nature to affect the independence of the company auditors.

Whistleblowing



The bank has installed an internal Whistleblowing system aimed at reducing the risk of financial loss, sanction or loss of image or reputation resulting in non-compliance with statutory and regulatory obligations. This system provides our employees with the ability to report any abuse or malfunction likely to cause us serious harm.

Responsible customer relationships

Objective: to take account of the customer's interests

The satisfaction of every customer is one of our key preoccupations. Today, it is also just as important to build a respectful relationship with them that is sustainable in the long term as it is to improve our operating efficiency and optimise our financial performance. As a result, our approach has to be based on trust, listening, advice, guidance and transparency. All of these values must be respected if we are to be able to respond ideally to our customers' needs and expectations in all circumstances and throughout our banking relationship with them.

Investor portraits

Whether they are private individuals, businesses or public institutions, each investor client is unique. Some will aim for maximum returns, even if that means taking risks. Others will prefer to protect their capital more. "Risk appetite" differs from one person to another. To help clarify the situation, Belfius has come up with 4 "investor portraits": fixed, protected, tactical and dynamic.

Each portrait reflects the maximum risk that a Belfius customer is willing to take for all/part of his or her investments. This portrait is depicted by a pictogram displayed on all information sheets, enabling customers to identify immediately which products correspond best to their own investor portrait - and hence their appetite for risk - in the overall range of Belfius products.

This new approach is transparent and helps facilitate investment choices while focusing on the customer's needs: as part of each transaction at the branch, a tailored proposal corresponding to the customer's investor portrait can be put forwards based on their aims and investment horizon. Before the customer makes a purchase, the Belfius specialist will specifically assess the customer's knowledge and experience with the product being considered. This method meets the requirements of the legislation totally, particularly in terms of MiFID regulations.



Fixe



Protégé



Tactique



Dynamique

How our advisers are paid

Our specialists have no personal financial interest whatsoever in promoting one solution over another when advising customers. Our remuneration policy is based on an approach that sets overall targets in which the amount the adviser is paid remains the same, regardless of the investment product being recommended. The policy also sets targets in terms of quality and ethics.

Central to the policy for marketing and selling investment products is the customer's risk appetite, as depicted by the investor portrait the customer selects. Respecting this choice is built into the system of remuneration in that if the level of risk is exceeded, this could have negative financial consequences for the intermediary.

To sum up, we always act on behalf of our customers and never for ourselves, whether it is a private investor or a larger institutional investor.

Our Compliance department has the responsibility of ensuring that the principles of managing and preventing conflicts of interest are fully complied with. A close eye is kept on the quality of the investment advice given by an ongoing monitoring programme. This programme is operated both nationally and at a branch level by checking the products recommended against the investor portraits of customers. This approach makes it possible to assess the conduct of advisers, based on the situation and outlook of the financial markets, as well as the overall economic climate.

This monitoring is supplemented by the approval process for every new product or service, as well as by an examination of changes in the number of complaints about investments.

MiFID requires greater protection for investors, as well as more transparent information. This European directive requires Belfius to have a good knowledge of potential investors prior to providing investment advice. This knowledge is made possible by establishing the investor portrait for each customer.

Responsible lending



The Professional Lending Union (Union professionnelle du crédit, or UPC) has worked with its members, of which Belfius Bank is one, to draft a code of conduct featuring 10 principles under which members undertake to contract and grant mortgage and consumer loans in a responsible manner.

Inform the customer

- **Transparency:** provide correct, understandable information about our products and main customer-related processes;
- **Correct pricing:** apply unambiguous pricing (interest rates and fees).

Be concerned about the customer

- **Service to the customer:** help customers to choose solutions that best meet their needs and inform about the risks of taking on too much debt;
- **Confidentiality** of customer data processed;
- **Customer satisfaction** and immediate, proper handling of complaints.



Assess the customer's solvency

- **Managing the credit cycle:** define and apply a credit policy and processes;
- **Gathering data:** assess the customer's solvency based on correct, accurate information, using external sources;
- **Assessing the credit risk:** analyse the customer's risk profile and ability to repay the loan.

Prevent and ensure payment problems are followed up

- **Preventing risk:** monitor the level of debt and use of the loan in order to detect payment problems and be able to anticipate payment arrears;
- **Supervising debts:** actively propose solutions to customers to enable them to optimise their ability to honour their financial obligations.

Responsible supplier relationships

Objective: to avoid commercial relationships with companies that breach the legislation on Human Rights

Any party wishing to become an official supplier to Belfius must comply with the same undertakings that we respect vis-à-vis our customers. When signing a contract to work together, a charter respecting the principles of the Global Compact must be initialled, committing the supplier and any subcontractors.

Also, wherever possible, Belfius uses local suppliers. Of our 837 suppliers, 96% come from Belgium or the surrounding countries (radius of approximately 300 km).



When signing a contract with a supplier to work together, a charter respecting the principles of the Global Compact must be signed.

Our social commitment



“A bank that generates added value for society.”

With its desire to be fully accountable for its social responsibility, Belfius intends responding to the major challenges facing society, such as the ageing population and social integration. For the past 50 years we have supported society-based projects focusing on sport, culture, health and education, etc. Our efforts also concentrate on the work-life balance of our own teams. Our initiatives in terms of services to staff and employment conditions help promote individual commitment and the well-being of everyone.

Our social commitment

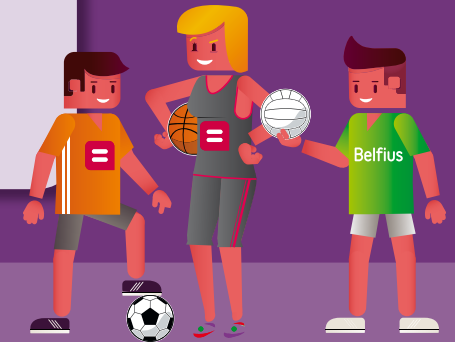


With our platform www.generationunited.be has enabled us to draw attention to the society-based impact of changes to demographics in terms of housing, leisure, jobs, pensions, healthcare and inheritance issues.

3 employees from Passwerk, an IT company that employs staff affected by autism spectrum disorders (ASD), are testing in-house electronic banking applications.

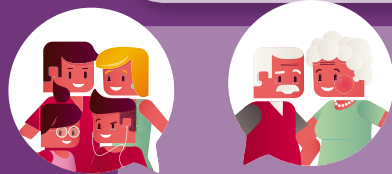


The Belfius Foundation provides aid to organisations that grant micro-credits. It also supports projects in hospitals (Colour Your Hospital) and funds staff projects selected by a panel of judges (Helping Hands).



42,000

Thanks to Belfius Local Team Spirit, no fewer than 42,000 young people during the 2012-2013 and 2013-2014 seasons played or will play for their sports club in a T-shirt donated by Belfius.



As a locally established relationship bank, we seek to provide an answer to the major challenges facing society today: the ageing population and social integration.



Over the years, our studies of hospitals and retirement homes (MAHA and MARA) have become benchmarks in their field.

Support for the community

Local Team Spirit

Objective: to encourage engaging in a sport and team spirit among young people

In order to be fit and remain in good health throughout life, engaging in a sport is essential from a young age. It is also a very good way of meeting people and integrating disadvantaged young people in society, while at the same time making it easier for them to access education and training.

With deep-seated roots in society, Belfius is a significant partner of Belgian sport (excluding motorsport and other sports involving risk). From a local point of view first, Belfius helps teams of youngsters by sponsoring their jerseys, then nationally, by sponsoring professional teams and continuing the bank's long-established partnership with the COIB (Belgian Olympic and Interfederal Committee).

Locally

In launching the Local Team Spirit programme, Belfius aims to help young people aged 6 to 18 who engage in a team sport in their local area by sponsoring their team jerseys for two seasons.

This is the first time that a Belgian bank has become involved in a programme of this kind. And the issue at stake is a sizeable one: in Belgium, approximately 850,000 individuals regularly engage in a team sport, with the four main team sport federations (football, basketball, volleyball and hockey) alone representing some 620,000 members.

This programme has been a great success since it was first introduced. In a matter of months, no fewer than 42,000 young people received part of their kit free of charge and are already playing for their club in a jersey sporting the Belfius logo for the 2012-2013 and 2013-2014 seasons.

850,000
individuals regularly engage in a team sport.

Nationally

Belfius is highly active in sponsoring top-level sports teams in Belgium. In football, the bank sponsors a major sports club, Club Brugge, while in basketball, it supports Belfius Mons-Hainaut and Liège Basket in the men's national first division and Belfius Namur in the ladies' national first division.

We have also been a loyal partner of the COIB for many years and more particularly of the Committee for the development of Belgian sport, which supports young people engaging in sports locally, identifying new talents.



42,000 young Belgians already play their sport in a Belfius jersey.

Belfius localteamspirit

Generation United

Objective: to encourage debate about ageing and to help the generations to live better together

The issues surrounding the ageing population affect more than just the elderly. Ageing is something that involves us all. It affects our whole society, our way of working, where we live and the way we live, our leisure time and our retirement, etc. Ageing is a dynamic process that both the young and the less young have to accept and live with so that they can derive maximum benefit from its advantages and minimise its less pleasant side. Ageing is an ongoing challenge for the future: the challenge of getting all of the generations to live together in harmony.

As a financial partner for the public authorities and numerous non-commercial institutions in Belgium, Belfius takes the trouble to monitor socio-demographic changes very closely and to develop specific solutions aimed at dealing with the challenges that these changes bring with them. Under the concept of "Generation United", Belfius has sought to make the general public aware of the society-related impact of these changes by offering its customers a wide range of financial solutions that benefit young and old alike.

Within a few weeks of its launch, over 50,000 unique visitors had visited the Generation United platform.

Some examples

- home loans for a multi-family dwelling (mortgage loan governed by the Belgian Mortgage Act of 4th August 1992);
- a loan for conversion into student accommodation or a studio (home loan - instalment loan governed by the Belgian Consumer Credit Act of 12th June 1991): a loan geared to convert part of a dwelling into student accommodation or a studio;
- housing certificates: bonds backed by a dwelling right, issued mainly by Public Social Action Centres to finance serviced accommodation;

- Dexia Equities L Global Demography: a theme-based sub-fund of the Dexia Equities L share fund, designed for dynamic investors who invest in a selection of international companies to take advantage of changes in global demographics.

The Generation United concept is based around an online platform through which the bank intends not only to provide information, but also to encourage debate and an exchange of new ideas about this topic between the different generations.

Belfius Financial Academy

Objective: to inform our customers

What do customers today expect from their bank? Trust and transparency, of course, but also recognition of their desire and ability to become involved in managing their finances. But according to a recent survey, "the financial knowledge of Belgians is relatively poor"...

For the purpose of improving this situation and acting in the interests of everyone, Belfius recently created the Belfius Financial Academy. Our aim is to inform our customers of all ages - clearly and with due consideration - about the many financial topics and products.

Academy sessions are held periodically on Saturday mornings in various towns and cities throughout the country. All participants begin by attending a workshop on a topical theme of their choice (investing, estate planning, handing over business ownership, etc.). They then listen to a top-quality invited speaker, who presents his or her ideas about a specific issue associated with healthy financial management. Participants are able to ask their questions to experts in a friendly atmosphere, exchange ideas during the break and so on.



i Want more information?
Go to www.GenerationUnited.be

Green Days

Following on from 2012, Belfius held “Green Days” information sessions in all of its bank branches, focusing on themes of saving energy: solar energy, heating, insulation, passive building, etc. Various experts provide the keys to technical understanding, as well as practical advice on premiums and subsidies.

Access to our banking services for everyone

Objective: to improve the lives of people with physical, hearing or visual handicaps



It is not always easy for someone with poor vision to use banking services entirely independently.

Statistics show that 1 to 4% of the Belgian population is unable to access conventional financial services because they have a physical, hearing or visual handicap.

When fitting out the buildings housing its bank branches, Belfius now makes sure that there is access for individuals with reduced mobility within the infrastructure of the branch. Over 30% of our branches already benefit from these amenities.

Belfius has also implemented all of its skills in improving access to branches for customers who have poor eyesight or who are blind. The bank’s applications for Mobile Banking, the PC Banking system, voice-guided card readers and bank statements in braille have all been specially designed to make it easier for them to access banking services.

To continue along these lines, the bank has decided to equip all of its branch cash dispensers with a voice guidance system developed in collaboration with the Braille League, aimed at enabling customers with poor vision to carry out withdrawals and view their account balances in total safety and without any external assistance.

By using this voice guidance system, customers are able to follow the various stages of the transaction through headphones (brought along by the individual) and to use the keypad when prompted to do so. Depending on the language spoken in the region where the ATM is located, the voice will begin the session in French, Dutch or German. Then, as soon as the customer’s bank card has been inserted and the customer identified, the remainder of the process is conducted in his or her own language. Apart from the voice guidance aspect, the way transactions are conducted remains exactly the same. This project began in 2013 and will be rolled out to all Belfius branches by the end of 2014.

By 2014, all of our bank branch cash dispensers will be fitted with a voice guidance system.

Fighting against exclusion from banking

Objective: to contribute towards social integration

The economy has become increasingly finance-based over a period of many years: dealing with financial products and services has become essential for carrying out some of the most basic acts of day-to-day living. This fact of economic life creates more and more financial exclusion with each passing day. As a result of the economic crisis, increasing numbers of Belgians are encountering difficulties in accessing the financial products and services they need, enabling them to lead a normal life in society.

A few figures speak louder than words: in 2009, there were over 100,000 people in our country belonging to a household in which no one had a current account, not counting those who have difficulties in using one. At the same time, 356,611 individuals had at least one loan with payment arrears. Equally worrying, the number of Belgians no longer paying their insurance premiums has never been so high: in 2012, this involved the record figure of 204,000 people...

Faced with this worrying fact, Belfius has for many years been working with the Public Social Action Centres to offer a set of solutions making it possible to fight in practical terms against exclusion from banking. Going well beyond the minimum requirements imposed by legislation (basic banking service in the form of a current account), these solutions are an exception in the world of European banking.



All citizens must be able to have a bank account.

Flex-i-Trans

Objective: to promote the integration of people with reduced mobility

When a person is not capable of carrying out activities independently, this may pose difficulties in terms of his or her participation in life within society. Concerned for the well-being and integration of individuals with reduced mobility, Belfius launched a flexible solution for their transport: Flex-i-Trans.

The Flex-i-Trans service is included in the leasing proposal for a minibus adapted to transport disabled passengers. In fact, the Flex-i-Trans system makes it possible in a matter of minutes to convert a nine-seat minibus into a bus capable of accommodating wheelchairs, and vice versa, using an ingenious system of folding seats and anchor points integrated into the floor of the vehicle. The Flex-i-Trans product is designed mainly for retirement homes, hospitals and specialised institutions, as well as for PSAC centres.



Flex-i-Trans enables a nine-seat minibus to be converted into a bus that can accommodate wheelchairs.

Socio-demographic profile, MAHA, MARA and other studies

Objective: to shed new light on future social challenges

Profiling the socio-demographics of municipalities

Do you know how many young people live in your local area? What the proportion is of working and non-working people? The ratio of over-65s? You'll find all the answers you are looking for in the socio-demographic profile of municipalities.

For the past few years now, Belfius has produced a system of demographic studies, set out by individual municipality in the form of a "socio-demographic profile". The results of these surveys are presented by the relationship managers at Belfius to the managers of the local authorities and PSAC centres that are customers of the bank.

The main aim of this socio-demographic study is to help public trustees to gain a better grasp of current and future developments in their population. This will enable them to gear their social and municipal policies proactively to plan for the investments required. Using the information provided, some municipalities are able to see that they are experiencing a significant ageing of their population, while others may be faced with a large increase in the number of young people. The authorities can then better anticipate these changes and plan the investments needed for the appropriate infrastructure. Here again, Belfius is innovating by developing its services based on solutions and products that are suited to the requirements of public sector customers.

MAHA, MARA and other studies intended for public authorities

In addition to the socio-demographic profile of municipalities, Belfius also conducts numerous studies each year into changes in funding for local and provincial government, with a specific individual analysis for each municipality. Of course the social sector remains at the heart of our preoccupations. This concern is prompted by the studies relative to the funding of hospitals (MAHA) and the retirement home sector (MARA). Over the years, these much-appreciated studies have become a benchmark for our customers.

2012 was also a year of local elections. With this in mind, Belfius released a series of publications, some of which were educational about the way local authorities operate. There was also a brochure setting out the main challenges that will be facing local government bodies during their forthcoming period in office.

Community Services Centre

Objective: to bring added value to society

The aim of the Community Services Centre is to bring added value to society. This skills centre, where Belfius employees make their expertise available for local initiatives and for public and social profit customers, is very much part of the bank's wish to be established locally.

For some projects, those of our staff who wish to do so can make their skills available on a temporary basis to assist a local institution of some kind (town hall, hospital, PSAC centre, etc.).

Example: Special Olympics European Summer Games, Antwerp 2014

The national Special Olympic Games are a sporting event run over four days each year, attracting over 3,300 handicapped athletes, both children and adults. Designed in particular for individuals with mental problems, the aim of this initiative is to provide them with access to sport and competition. Today, over 1,700 volunteers ensure that the Games are properly organised. One of them is a lady who works for Belfius.

Our specialist, who wanted personally to take part in this project, will be managing the whole of the financial side of the Games (developing a financial system, creating a budget, managing risks, taking out insurance, etc.). Her work and experience, placed at the disposal of the organisers, will be used as a base for the Special Olympics Europe and Eurasia and the Special Olympics Belgium and may well be expanded subsequently.



i Want more information?
These studies and publications are available from our relationship managers or from www.belfius.be

Example: Debt mediation

People in debt regularly come to the PSAC centres for help. In these cases, mediation between debtor and creditor is the best solution. It's an approach that can bring some relief, albeit temporary.

Nevertheless, fact is that debt mediation is part of the remedy and constitutes one of the final stages of the debt process. We need to pay far more attention to preventing debt and it is impossible for the PSAC centre to tackle the problem alone.

In Boom, debt prevention is already on the agenda. How? By trying to focus more on prevention and to draw up a list of best practices in debt mediation. With this in mind, the local PSAC centre conducted a survey between October 2012 and April 2013 in conjunction with the Office of Well-Being, Public Health and Family, and with the Flanders Centre for Debt Burden. One of our female employees contributed to the project.

The project in the municipality of Boom provided elements that are essential for preventing excessive debt. In particular, it is important to map the action to be taken where there is a risk of a person losing their job or encountering financial problems, to bridge the gap between the financial world and aid organisations so that scientific studies into the issue can be extended and to enable the PSAC centres to exchange information of value.

Our staff make their expertise available to local initiatives and to public and social profit customers.



Hilde Van Heddegem,
employee at Belfius Bank

Jo Piessens,
Secretary of the PSAC centre of the city of Boom

Patronage

The private Belfius Foundation was created in 2012 by Belfius Bank, taking on all of the activities and assets of the former non-profit Dexia Foundation. Belfius Foundation is the focal point for the bank's patronage support initiatives in Belgium. This support commitment covers initiatives associated with

- social integration: by supporting microcredits and social credit.
- well-being: by supporting projects dedicated to patients in hospital.

This commitment is also shared by bank employees, in particular via a volunteer project focused on microcredits. The Belfius Foundation embodies the approach that Belfius Bank takes in Belgian society.

Funding and helping organisations

Objective: to support numerous local initiatives associated with sustainable development

As a relationship bank, operating close to its customers, whether private, professional or an association, Belfius seeks to enable its 796 branches to support numerous initiatives on sustainable development in their own local area or region via a system of vouchers (up to EUR 2,500 per branch). This funding might be used to help fit out premises or provide small IT equipment for a non-profit organisation, to refurbish a reception room, to donate food to the homeless, to purchase costumes for a theatre group, etc.

With a solid local base, the bank intends to act in this way to take on its role in society in full, demonstrating its commitment on the ground in events at every level, showing how it can bring real added value to the community.

Microcredits

Objective: to give individuals with no money the opportunity to start a business

Made popular around the world by the Bangladeshi, Muhammad Yunus, Nobel Peace Laureate in 2006, microfinance also exists in Belgium. In fact, it has become an important tool for social reintegration in our country. With 1.5 million citizens living below the poverty line, the microcredits and social credits granted over many years to people excluded from conventional credit channels meet a real need.

In 2012, for the 7th consecutive year, the Foundation again supported microcredits by subsidising the two main providers of microfinance in Belgium: Crédal Plus (EUR 318,000) and Hefboom (EUR 127,000). These subsidies provide substantial support for the microcredit sector in Belgium. The bank also acts through partnerships such as the agreement with the Participation Fund, through which micro-borrowers are able to apply for a microcredit or bank loan in a single process.

The company's commitment to providing social support is also demonstrated by the contribution made by its staff. In 2012, for instance, the Foundation made twenty-two volunteers available to Crédal Plus and Hefboom. These Belfius employees or retirees made their skills available during their own leisure time to benefit microcredit by providing coaching for micro-entrepreneurs in the field or by taking part in the decision-making process of microcredit committees. The Foundation also involves several dozen Belfius employees on the selection panels for its calls for projects.



Want more information?
Go to
www.belfiusfoundation.be



22 Belfius volunteers available to Crédal Plus and Hefboom.

Helping Hands

Objective: to involve our staff on a voluntary basis in support associations and to give them a little helping hand

In 2012, the Foundation also granted awards to ten associations after its call for “Helping Hands” projects. This annual call for projects was aimed at our employees who are involved on a voluntary basis in a support association. Ten associations won awards and received an average of EUR 5,000 to fund a project. Belfius employees also awarded a “Staff Prize” to an 11th association.

Each association selected received EUR 5,000 to fund a project.

Colour Your Hospital

Objective: to carry out projects focused on the well-being of patients in hospital, their comfort and quality of life

In 2012, the Belfius Foundation ran the first edition of the “Colour Your Hospital” competition. This competition is open to all hospital teams in Belgium, i.e. doctors, nursing leaders, nurses, psychologists, social workers, etc. working in general, University or psychiatric hospitals. The aim of the competition is to provide these teams with the budget enabling them to carry out projects focused on the well-being of patients in hospital, their comfort and quality of life. The teams taking part present projects to the Belfius Foundation offering patients and their families a more convivial, warm and pleasant living environment. This may involve redesigning rooms, purchasing non-medical equipment or projects making it easier for patients’ nearest and dearest to come to the hospital, etc. In 2012, 24 teams received support from the Foundation to carry out their project. Finally, we should note that each winning project receives a maximum of EUR 10,000 and that the Belfius Foundation has a total funding pool of EUR 150,000 for the competition.



24 teams received support from the Belfius Foundation to carry out their project.

Culture for Everyone

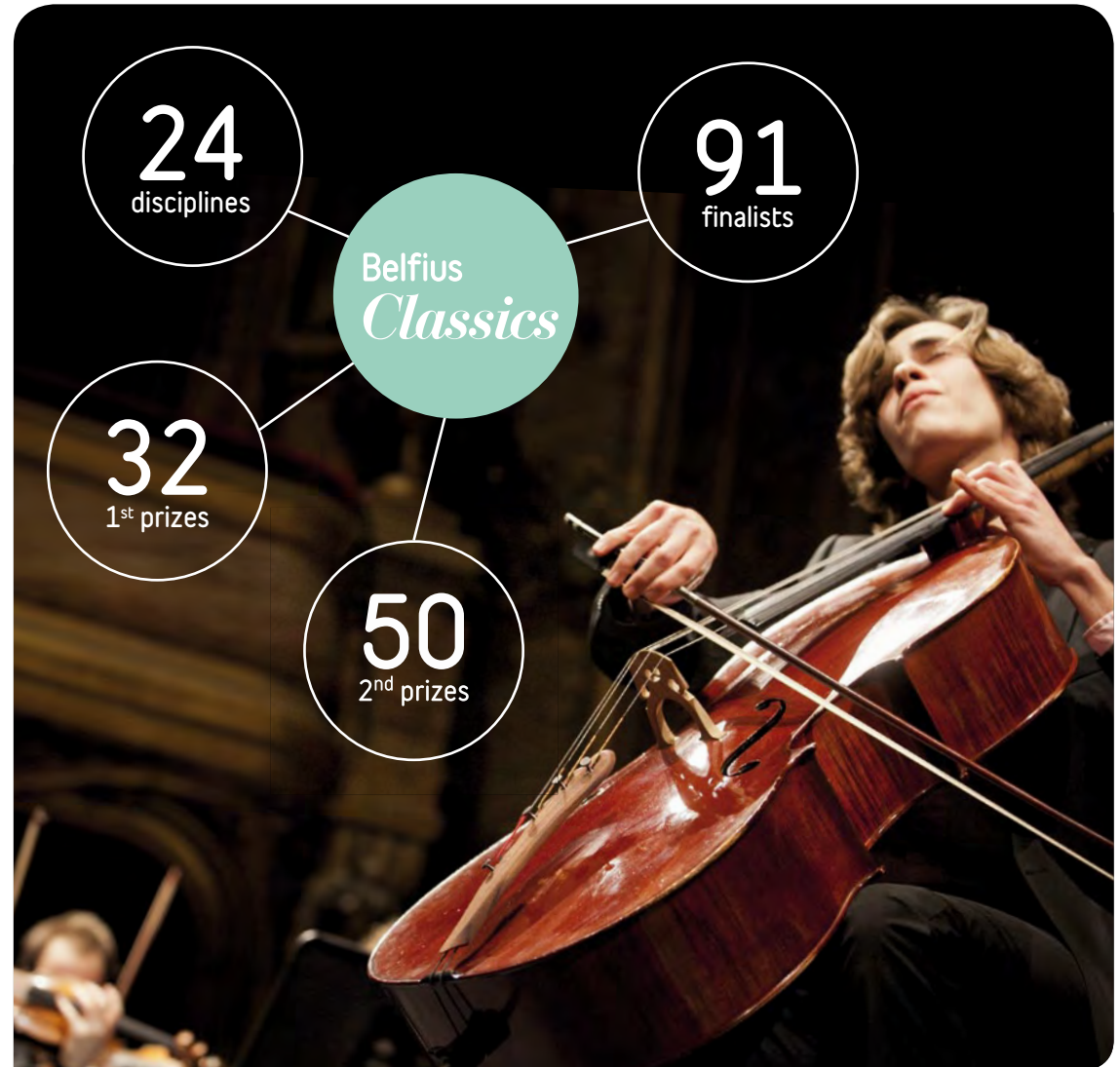
Objective: to offer a real springboard to artists

Culture is close to our heart at Belfius. We support talents in academies for music and the spoken word (Belfius Classics), as well as part-time teaching of the arts (Belfius Art). We give everyone the chance to see our exceptional collection of Belgian works of art, which is the largest private collection of its kind.



Each year since 1965, Belfius Bank has organised the Belfius Classics competition for students at academies of music and the spoken word. The competition enables up-and-coming performers to discover the stage and find a genuine springboard for showcasing their talents.

The 48th edition of the competition again demonstrated that there are many talented performers being trained in our municipal academies. In 2012, the number of 150 entrants, representing 93 academies, was more in line with the usual annual average (their numbers were exceptionally high in 2011). Performing in 24 disciplines, 32 of the 91 finalists won a 1st prize, with another 50 gaining a 2nd prize. It is important to note that to respect our principle of non-discrimination, there are no age limits for entrants. Since the awards were created, almost 500 former winners have been given a helping hand for concerts, courses or recordings.



Art colleges enable everyone to access culture and we support them 100%. Which is why we organise Belfius Art: a competition aimed at young artistic talent.

Artists wanting to enter can present their work and application to their local academy for the initial regional selection process. If they are successful, they then take part in the national selection. A professional panel of judges designates the winners who not only receive a prize, but are also given the opportunity to exhibit their work to the general public. Because artists need opportunities for recognition as much as they need financial support. We aim to offer them both.

In 2012, the exhibition “Brisure. Affinités artistiques” marked the opening of the fourth season of “Culture for Everyone”. Staff members were able to go on guided tours of the exhibits and, every third Saturday of the month, the exhibition was open free of charge to the public. As with previous editions of the exhibition, the collaboration required for organising guided tours between the Belgian Royal Museum of Fine Art and Belfius was a real success.

The regional section of the Belfius Art competition, in place since last year, again strengthens the bond between the academies and the municipalities a little further. The 50 artists selected were able to display their works at our head office in Brussels, with a judging panel designating 2 winners. Their names were revealed in the presence of their teachers and families, as well as the media at the official inauguration of this annual exhibition. A prize was also awarded to the winning academies.

Belfius Bank also lent over 80 works of art from its collection to a number of museums for various exhibitions.

For 2012, a partnership was set up with the museums and municipalities through which Belfius made a large number of artworks available to enable them to organise exhibitions.

The exhibition in Poperinge dedicated to the painter, Permeke, as well as two shows “Passie #1” and “Passie #2”, held in April and December respectively in Ostend, were an enormous success.



50 artists were able to display their work at our head office.

Our staff

At Belfius, we are very aware that a good work-life balance enables both our staff and the bank itself to develop in the long term. By cultivating the potential of each employee, we can make a difference. With this in mind, we pay particular attention to diversity and involvement, health and safety, and flexibility and mobility.

Information, dialogue and guidance for our staff

Objective: to recreate a bond and trust

In-house communication

Belfius employees who are listened to and appreciated in the work they do by managers who work closely with them and trust them will be employees who are motivated, fulfilled and capable of contributing to the success and long-term existence of the bank. We also make a point of meeting the legitimate expectations of staff in terms of where the business is going: results, new products, the social plan 2016, new members of staff, the profession of a particular department, etc. But then isn't it said that having well-motivated staff on the inside creates a company that is liked on the outside?

To unite our staff around the values of Belfius, the projects we have completed include:

- an internal satisfaction survey;
- plenary lectures to explain clearly to staff the new strategy put in place;
- major developments on our intranet tools;
- a social network to promote dialogue and exchanges;
- a new monthly electronic magazine, "Mag-e".

Social dialogue

As in previous years, social dialogue with union delegations remains an essential means of implementing the process of transformation and autonomy at Belfius. It is essential, despite the difficult economic environment, that we achieve our 2016 targets approved specifically by Europe, in total independence and with a balanced and coordinated vision of what we are doing financially and commercially. In a context such as this, social dialogue is genuinely important - as well as more delicate. Which means it will require considerable effort from all of the parties concerned.

Teleworking

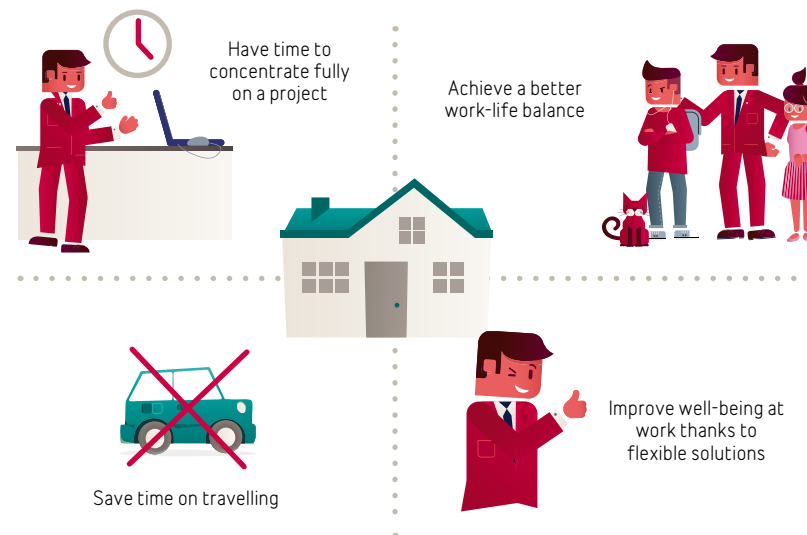
Belfius has had a collective agreement in place since 2002 dealing with the way teleworking is organised in the company. Hence the concept is nothing new for the bank - and it has to be said that it is an initiative that is gaining increasing popularity among our staff.

Teleworking exists in 3 different forms within the company:

- mobile: mainly for sales functions;
- occasional: for all employees;
- structural: for employees who work from home for 1 to maximum 3 days per week.

Out of the bank's 5,815 employees in 2012, 1,055 used the "occasional" formula, while 509 worked structurally from home.

THE ADVANTAGES OF TELEWORKING AT BELFIUS



Preventing situations of stress

For a number of years now, Belfius has worked hard on preventing and detecting situations of stress, in particular by implementing a policy of prevention and well-being. As a result, various tools to detect, prevent and handle stress have been put in place.

In 2012, these measures were strengthened further through the introduction of specific communication plans on the one hand (one to staff about the bank's progress over the months, and the other to managers regarding the results of the stress conducted in the autumn of 2010) and, on the other, by developing a specific action plan following the stress survey.

Objective: to develop individual skills

Ongoing training

In today's globalised and ultra-competitive economic and financial environment in which markets, technologies, products and customers evolve at the speed of light, the ongoing training of staff is an essential guarantee of competitiveness and continuity for the banking and insurance arms of Belfius.

To help sustain our strategy, the range of training continued to develop in 2012 along three main lines:

- change management;
- the adjustment of technical training in response to changes in the business lines following regulatory developments.



Responsibility vis-à-vis our staff

- Assistance with changes and for our staff at the end of their careers
- Regular assessment of employees by the hierarchical superior. If there is a dispute, these assessments can be evaluated at a higher level. If the assessment given is negative, an action plan is developed between the manager and employee. A check is conducted to see whether means such as coaching, training, etc. may contribute to better performance.
- Outplacement (guidance for employees made redundant):
 - under the law: for employees aged over 45 and for employees aged under 45 who have at least 12 years' service with the company;
 - as part of the Belfius social plan: for all employees, regardless of their age or length of service.

Fighting discrimination and valuing differences

Objective: to promote diversity

Because the bank needs all the talent it can get to ensure its business development, Belfius is committed to a policy of preventing discrimination and promoting diversity.

Partnership with Passwerk

During 2012, the bank entered into a partnership with Passwerk. The specific feature of this IT company is that it employs individuals who are affected by Autism Spectrum Disorder (ASD) and who have normal to high intelligence. Currently, three Passwerk employees work at Belfius in the Brussels IT department. Their role consists of testing electronic banking applications.

Diversity is essential for a bank!

Individuals affected by ASD tend to perform better in terms of logical and analytical thinking. They are much more aware of details and have a remarkably high level of concentration, including for repetitive tasks, which makes them excellent testers of software. Their work includes applications such as Belfius Direct Mobile 2.0 and Belfius Free Time.



However, people with ASD are extremely sensitive to stress and various stimuli and often have difficulties in communicating. Professional coaches from Passwerk provide them with the support they need so that they can do their work in the best possible conditions.

These Passwerk coaches also work with other people who are not affected by ASD. At a workshop dealing with ASD, the future workmates of these new employees are given information about autism, including the differences compared with what feature films tend to depict (such as Ben X or Rain Man). 70 members of staff at Belfius participated in this workshop.

In terms of supervision, three people at Belfius have agreed to act as go-betweens for these employees from Passwerk and, in the same way as the coaches, they ensure that the work environment for their colleagues with ASD is kept at optimum levels.

Job students

Belfius management also decided to give preference to applications submitted by students from disadvantaged backgrounds when it allocated its student jobs during the summer of 2012.

Eco-coach project

Objective: to make people aware of good environmental practices

Many of the people who work at Belfius feel very concerned by environmental issues and have highly specialised skills. When the bank decided to create a network of ambassadors for sustainable development, there were many applications. Recruited on a voluntary basis, some sixty eco-coaches are now operating in their respective departments at the bank's head office in Brussels or in regional offices.

Their main aim is to inform the people they work with about good environmental practices in the office on a day-to-day basis. To assist them in their task, we offer them topic-based information sessions about our new strategy on sustainable development, our green products, mobility, energy and waste. The results are already making themselves felt, not only in the workplace, but also in people's private lives, which has a beneficial knock-on effect for society as a whole.

More than 60 eco-coaches are operating at the head office.

Environment Committee

Objective: to implement initiatives for promoting social responsibility

Within the Committee for Prevention and Protection in the Workplace at Belfius, an Environment Committee has already been active for some twenty years. This committee meets once a month to discuss the problems linked to the environment and to implement the initiatives to be taken to improve the company's sustainable development.

Organic Week and Waste Reduction Week and collecting thick sweaters are just a few striking examples of the initiatives taken by this committee in conjunction with other committees.



Blood donations

Objective: to supplement the blood stocks of the Belgian Red Cross

Working with the Belgian Red Cross, we organise blood donation days each year. In 2012, Belfius employees again demonstrated their great generosity. During the 10 blood donation days organised at our three central offices, 671 units were donated, representing approximately 292 litres of blood. This long-established commitment helps supplement the blood stocks of the Belgian Red Cross with donations that are destined mainly for individuals suffering from leukaemia and haemophilia, as well as to major burns victims and patients in road accidents.

671 units of blood were donated in 2012, representing approximately 292 litres of blood.



International Day for the Eradication of Poverty

Objective: to collect sweaters and blankets for disadvantaged and homeless people

International Day for the Eradication of Poverty is celebrated on 17 October each year. Born of the initiative of Father Joseph Wresinski and several thousand other people from all backgrounds who first gathered at the Court of Human Rights in Paris in 1987, the International Day for the Eradication of Poverty day has been recognised officially by the United Nations since 1992.

To mark the occasion, Belfius organised its “Thick Sweater Collection Week”. The main aim was to collect sweaters and blankets for the disadvantaged and homeless so that they can cope better with the conditions in winter.

The collection was conducted at Belfius’s central and regional offices, as well as in branches. All of the goods collected were donated to Samusocial in Brussels, the non-profit organisation Bij Ons/Chez Nous and to Oxfam-Solidarity. In total, 2,136 sweaters and jackets were collected with the assistance of all Belfius staff.

At the same time, a parallel fundraising programme was organised by SOS Fund, an internal fund supported by Belfius staff. This money was used to purchase 1,200 additional blankets.



2,136 sweaters and jackets, and 1,200 blankets were collected.

Our commitment to our customers



“A bank that helps its customers to engage towards sustainable development”

Belfius seeks to develop products and services that are simple, safe and economical, designed to meet the real needs of its personal customers, local institutions and businesses and which meet sustainable targets, directly or indirectly, on the environment, society and sound governance.

Our commitment to our customers



25% of all the non-mortgage housing loans taken out by private individuals in 2012 were eco-credits. This was an increase of 7% compared with 2011.

EUR **18 million**

In 2012, we funded projects to install photovoltaic solar panels worth over EUR 18 million. In total, these installations generate some 8,000 kWc.

Belfius has

40,159

Corona kilometre-based insurance policies in its portfolio. This form of per-kilometre cover was also the first of its kind presented on the Belgian market.

In 2012, we established over 60 named funds for philanthropic Private Banking clients in conjunction with the King Baudouin Foundation.

With Green Fleet, we enable companies to manage their vehicle fleets in an eco-responsible way. Green Fleet includes an assessment of the fleet itself, eco-driving courses and the voluntary offsetting of CO₂ emissions.

We help local authorities meet the challenges of the ageing population through a range of specific products (housing certificates, Flex-i-trans, etc.).



Impact on the environment for our personal customers

Objective: to encourage investments in the areas of energy-savings and sustainable mobility by providing benefits on charges or a lower interest rate

Eco Loan

A **Home Eco Loan** is an instalment loan for home-owners or tenants wanting to finance expenditure intended to achieve energy-savings. This solution offers rate advantages on the full amount of the loan for its entire lifetime.

The investments that are eligible for a Home Eco Loan include the replacement of an old boiler or installing double-glazing or solar panels.

In 2012, the average amount borrowed for a Home Eco Loan at Belfius was EUR 11,500. The majority of these loans were granted for a term of between 36 and 48 months. In total, the share of Home Eco Loans in the bank's total production of home loans rose from 18% in 2011 to 25% in 2012 (excluding mortgages).

With the low-energy construction home loan, private individuals benefit from a reduction of up to 0.25% on the rate for the loan.

The **low-energy construction home loan** is a new financing formula, announced at the Batibouw 2013 building show and offering the benefit of a low interest rate. This home loan is specifically intended for the construction or purchase of a new dwelling, passive or low-energy E ≤ 50 structure (excludes finance for the land). The reduction granted on the interest rate may be as much as 0.25% and is set by contract in the loan agreement. The advantages of the low-energy construction home loan apply to all forms of loans (with the exception of bridging loans), independent of the interest rate (fixed or variable), term and method of repayment selected.

The **Car Eco Loan** offers an instalment loan for purchasing a low-energy car no older than 2 years old with low CO₂ emissions (< 145 g/km for diesel and < 160 g/km for petrol), a hybrid car or one fitted with an LPG system, at an interest rate lower than for an ordinary car.

Insurance

Photovoltaic panel insurance provides optimum protection to cover photovoltaic systems against theft and all sudden and unexpected damage such as lightning, storm and hail. The policy pays a fixed indemnity for the loss of electricity production after a covered event, as well as an indemnity calculated based on the value of its certificates if the customer is entitled to green certificates.

With our **kilometre-based insurance**, the less you drive the less you pay. Even under 10,000 km, the price reduction continues because Belfius calculates the insurance premium based on the actual number of kilometres driven, to within 100 km. In practice, drivers submit the current kilometre reading and the number they expect to drive during the first year. We pay out if the number of kilometres driven is lower than forecast, or make a surcharge for the additional kilometres driven.

In 2012, 40,159 of these policies were taken out, which was a 4% increase compared with the previous year.

If customers have an ecological vehicle, we also aim to reward them with the **Ecomobility** advantage, i.e.:

- Category A vehicles (CO₂ emissions: petrol <100 g/km; diesel <85 g/km) are entitled to a 20% reduction on their 3rd Party Car insurance;
- Category B vehicles (CO₂ emissions: petrol <130 g/km; diesel <115 g/km) are entitled to a 10% reduction on their 3rd Party Car insurance.

In 2012, 1,000 policyholders benefited from a reduction thanks to their ecological vehicle.



In 2012, 40,159 kilometre-based policies were taken out, which was a 4% increase compared with the previous year.

Impact on the environment for our public and business customers

Objective: to improve the energy efficiency of buildings, as well as reduce costs and environmental footprint

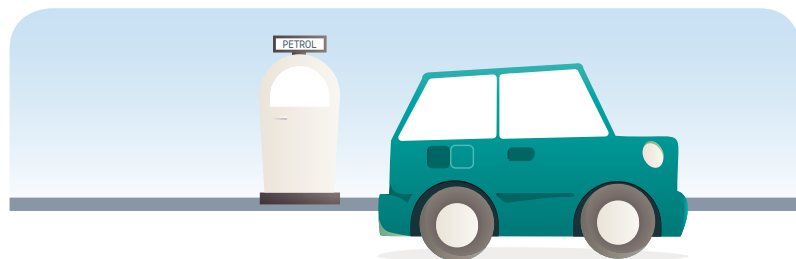
Efficient energy management

Belfius offers solutions aimed at saving energy, such as Green Fleet and Green IT, for the economical and ecological management of car fleets, IT equipment and solutions for investing in renewable energy (cogeneration or solar panels).

Green Fleet

In line with the strictest European requirements on CO₂ emissions and the efforts made by vehicle manufacturers to produce more ecological cars, Belfius offers an integrated approach to operational leasing based on the responsible and ecological management of the fleet. As an option, Green Fleet offers Green Fleet Management, which provides a personalised plan to reduce CO₂ emissions and customised eco-driving courses to focus the attention of company vehicle drivers on the ecological footprint of the way they drive.

As for the quantities of residual CO₂ emissions that the system is unable to reduce any further, Green Fleet offers voluntary CO₂ compensation. This means that customers deciding to have a 100% neutral vehicle fleet can offset the emissions that they have been unable to avoid by supporting environmental projects that help to restrict the production of carbon dioxide in Belgium.



Gold Cleaner Car Contracts

Cleaner Car Contract is a European initiative, coordinated in Belgium by the Flemish federation, Bond Beter Leefmilieu, which encourages the leading lease companies to demonstrate that their fleets can be both economical and pollute less. By signing the "Gold Cleaner Car Contract", Belfius Auto Lease has committed to suggesting that its customers include ecological vehicles in their fleet in return for beneficial terms. This approach made it possible to increase the percentage of ecological cars in the whole of our fleet while reducing the average emissions of our new vehicles to 120 g CO₂ per km in 2012.

Want more information? www.bondbeterleefmilieu.be

Green IT

Essential in daily business activities, IT equipment and network management represent a significant proportion of a building's energy consumption. New IT applications, the increased need to store data, servers, printers and other support equipment are just a few examples.

To help our customers optimise their IT equipment, Belfius offers its "Green IT" leasing solution. Customers benefit from advice on the choice of IT equipment suited to their needs, as well as information about energy labelling and tips for consuming less energy. Throughout the entire contract, our customers are able to make changes to their IT equipment based on their development or technological innovations. At the end of the contract, the equipment is sold on or recycled, after all of the data has been erased, of course.



IT equipment and network management represent a significant proportion of a building's energy consumption.

Photovoltaic solar panels and cogeneration

In the context of photovoltaic solar panels and cogeneration projects, Belfius offers either an all-inclusive formula for the public and social sector, or a lease for businesses. The all-in formula covers all stages of the project, from the preliminary study to the transfer of ownership and includes the feasibility study, financing, installation, maintenance and surveillance.

The flexible financing formula is via short-term leasing with a maximum term of 15 years with an option to purchase.

On request, the bank will provide advice on the administrative procedures to be followed, enabling customers to obtain the related green certificates and grants. After installation, an information session is organised to familiarise staff with the way the system works. Installations of photovoltaic solar panels feature a screen placed in a visible location containing information about the solar electricity generated.

The bank works closely with selected partners for these projects. Both the all-in solution and the leasing scheme offer a flexible repayment plan enabling customers to offset the cost of the installation by an effective financial gain from a reduction in the cost of producing electricity and/or heat.

Customers can also benefit from:

- **free membership of the Display® energy performance label scheme.** This scheme enables them to calculate themselves the energy efficiency of their buildings and prepare a personalised poster to inform the general public of the activities planned and/or the results of the investments made in energy yield.
- **photovoltaic panel insurance** at attractive rates, covering material damage if the technical operation of the photovoltaic system insured is totally or partially interrupted, and covering economic loss in the event of a reduction in yield. Compensation is then granted based on the value of the green certificate.

In 2012, more than EUR 18 million was financed for projects enabling the installation of over 8,000 kWc of photovoltaic panels. Our major customers in this area include the Mestdagh group, the Vlaamse Mediamaatschappij, VZW Arcor, Indupol International SA and the municipality of Steenokkerzeel.

In 2012, Belfius financed investments in photovoltaic panels worth EUR 18 million.

Green Building Solutions

With all of our experience and expertise in property management, we also offer the social and public sector a range of Green Building Solutions aimed at meeting the funding needs of the property assets, and their requirements and expectations in terms of energy performance, sustainability and site monitoring, both for new buildings and for renovations.

For example, in 2011 the council authorities in Grimbergen opted to build a low-energy structure to house the new police station. The project included appropriate insulation techniques, heat recovery, solar hot water and solar photovoltaic panels, etc.

Green Building Solutions : other examples

WIELSBEKE	PSAC	West Flanders	Condensation boiler
BEVEREN	Beveren fire station	East Flanders	Green roof, rainwater recovery
DIKSMUIDE	PSAC	West Flanders	Underfloor heating to heat and cool, condensation boiler
MELLE	Melle police station	East Flanders	Rainwater recovery, green roof, insulation
HOVE	Conversion of the multisport hall in Weyninchove	Antwerp	Rainwater recovery, photovoltaic panels
WICHELEN	Extension of the municipal school	East Flanders	Rainwater recovery, photovoltaic panels

Green guarantee

Belfius has been given control of a budget by the Flemish Region - EUR 1.6 million for large companies and EUR 3.5 million for SMEs - so that it can offer SMEs and large companies, under certain conditions, a guarantee for technology-related investments enabling energy optimisation, and hence gain a return on investment in under 10 years. As such, customers are able to call on the guarantee offered by the “Participatiemaatschapij Vlaanderen” via “Waarborgbeheer NV”, which facilitates the granting of funding they choose; either in the form of a loan, or as a lease.



For the period 2012/2013, Belfius was given control of a total budget by the Flemish government of EUR 1.6 million for large companies and EUR 3.5 million for SMEs.

Green partnerships

By becoming the preferred financial partner for various events dedicated to energy efficiency and protecting the environment, Belfius aims to facilitate the exchange of ideas and good practices and to encourage investments in the maximum number of sustainable projects.

Renewable Energy Championship

67 municipalities and 19,000 private individuals took part in the first Belgian Renewable Energy Championship (2011-2012). By launching this initiative, the organisers - the ‘Bond Beter Leefmilieu’ (BBL) and the ‘Association pour la Promotion des énergies renouvelables’ (APERe) - were seeking to encourage local energy policies based on sustainable indicators. 9 municipalities were rewarded for their efforts.

Energy Forum

With hundreds of specialist speakers and dozens of interesting case studies, Energy Forum is the annual event in Belgium eagerly awaited by major energy consumers and decision-makers. This is where they can find out all about the latest new products, as well as the most innovative and cost-effective solutions and services from the energy industry, as well as aspects linked to funding projects. They can also make interesting contacts, swap their experiences and generate new business.

Social impact for our personal customers

Objective: to provide financial products and services suited to diversity and accessible to all

New Family Plan

To make life easier for single persons and for single-parent and blended families, Belfius introduced the New Family Plan programme, which features the types of financial products and services they require. A web platform has also been created to provide useful information, offers and possibilities for interaction. As a result, these new families can use the plan to ask all of their questions about inheritance, housing, etc.



Products and services for fighting against excessive debt and banking exclusion

Belfius has been involved for a long time in the fight against excessive debt and exclusion from banking. It does this in particular by issuing loans responsibly and making financial tools available to the most disadvantaged (see also the social products developed in collaboration with the Public Social Action Centres).

Basic banking service

As part of this endeavour, Belfius introduced the account with basic banking service. This limited current account is available at the rate set by law. All citizens are entitled to this minimum service to manage their earnings and their expenditure, provided they meet certain conditions, the main one of which is that their principal place of residence must be in Belgium.

MasterCard Prepaid

In collaboration with MasterCard, Belfius has developed the MasterCard Prepaid, a prepaid card that offers all of the benefits of a credit card without actually being one. The principle of the MasterCard Prepaid is fairly simple: holders decide themselves how much money they want to put on the card, enabling them to control their budget at all times. They can then withdraw money at an ATM or pay for their purchases at over 35 million merchants worldwide or on the Internet. A prepaid card presents little danger of holders getting into debt, as at no time can they spend more than the amount available on the card. Once that amount has been used up, holders need to top up the card to be able to use it again.



Sustainable investment funds

Investing sustainably is combining financial aims with a human and environmental objective.

Belfius offers numerous investment sub-funds that focus on this aim. Our sustainable investment funds invest solely in companies that best take on the social, ecological and management challenges in their industry, and which take account of the interests of all the parties involved in their business activities. Whether it's shares or bonds, or a combination of both, investors can always find what they are looking for in our sustainable offering: in the Dexia Sustainable funds such as Dexia Sustainable Euro Bonds, Dexia Sustainable Green Planet or Dexia Sustainable North America, etc.



Investing sustainably is combining financial aims with a human and environmental objective.

Philanthropy

To provide for our Private Banking clients wanting to devote part of their assets to a worthy cause, during their lifetime or in their memory via a charity (to fund medical or scientific research, for animal well-being, etc.), the bank has developed expertise in the area of philanthropy. As part of this, our specialists work closely with the King Baudouin Foundation or with the universities.

As a result, our Wealth Management department is able to provide the ideal service by creating:

- an individual not-for-profit foundation for a specific purpose;
- a named fund with the King Baudouin Foundation or in a university fund such as the Leuven Universiteitsfonds and the Fondation Louvain;
- a dual legacy, which is an interesting planning method whereby you can, if you wish and by way of a will, leave part of your assets to distant heirs or individuals who are not related to you and also limit inheritance tax.

In 2012, more than 60 named funds were created for our Private Banking clients in collaboration with the King Baudouin Foundation.



Social impact for our public customers

Objective: to identify the major society-related challenges and the financial issues surrounding them and contribute towards implementing innovative and effective solutions

Social products

Giving access to basic banking services to individuals in vulnerable situations has become essential if these citizens are to lead 'normal' lives in our society. It is for this reason that Belfius has developed a range of innovative solutions making it possible to help and guide Public Social Action Centres in their mission of providing social aid and promoting the integration of the more disadvantaged among us. In 2012, Belfius managed 150,000 social aid accounts.

Product	Some of the figures
Prepaid card Automated solution designed to enable Public Social Action Centres to issue non-recurrent benefits in a straightforward and secure manner, for example to provide urgent assistance or financial aid to individuals without a bank account.	Offered by 241 establishments. On average, 5,200 cards are used each month.
Social aid account Account designed especially for the payment of social benefits (earnings for social integration or any other form of financial assistance) that our customers grant to private individuals. This account is undoubtedly the most appropriate solution for the payment of social benefits.	Number of holders: 40,000. Solution used by 518 establishments.
Residential guarantee account Account enabling residents of a retirement home to deposit a residential guarantee as part of the agreement between the establishment and its residents. This solution is simple, practical and complies with the regulations in the matter.	Solution used by 70 establishments.
Repayment of rental guarantees Solution that makes it easier for vulnerable individuals to rent accommodation. This account is opened by the PSAC in the name of the tenant and is managed by the PSAC. It enables tenants to pay back the rental guarantee to the PSAC over a period of time, the PSAC having temporarily put up the rental guarantee for the tenant. When the guarantee has been repaid, it is converted into a blocked rental guarantee account and the PSAC, thereby released from its commitments to the owner of the accommodation, is able to recover the amount advanced.	3,400 accounts for repaying rental guarantees opened. Solution used by approximately 100 establishments.
Budget management/debt mediation account Account with a dual advantage: both for the establishment responsible for managing the account of the person being assisted, and for the individual him/herself who has access to banking services via a withdrawal account into which the money required for small everyday amounts is deposited.	Number of budget management accounts: 66,500 (569 establishments). Number of debt mediation accounts: 4,800 (140 establishments).
System i account Provides a very handy solution for retirement homes that have to manage all or part of assets and payments on behalf of their residents.	Number of System i accounts: 30,200 (416 establishments).

Solutions dedicated to the ageing population

The ageing of the population will be one of the major challenges to be dealt with in the decades ahead. For the local authorities and all of the associated organisations, a greying population is not only synonymous with greater aid requirements and services in their home, but it also raises a number of questions regarding the future funding of public sector pensions.

Belfius offers the following set of solutions dedicated to this issue:

- Housing Certificates to fund the construction of serviced flats for seniors;
- 'Publi Pensions', insurance products tailored to fund the pensions of public servants;
- 'System i accounts' to manage the assets and accounts of individuals placed in a retirement home;
- 'Flex-i-Trans', a vehicle leasing scheme for transporting the disabled.

Demographic issues for municipalities

As the bank for local authorities, Belfius regularly publishes specific studies into changes in the population. At the current time, we have already presented a personalised socio-demographic profile to over 400 municipalities, enabling managers to better understand the challenges and financial issues created by the ageing of their residents, the increase in the pension burden, etc. As a result, this profile constitutes a genuine tool to which local managers can turn to determine the policies they wish to implement.

Belfius has already presented a personalised socio-demographic profile to over 400 municipalities.

Housing Certificates

Our Housing Certificates provide an innovative funding solution for building residences with services or serviced flats. This is an attractive alternative for housing elderly people who wish to remain independent for as long as possible and hence defer going into a retirement home. By using this scheme, seniors can call on multiple services, as and when they want them, such as ironing, cleaning, preparing meals, medical care, etc.

How does the system work? In fact, Housing Certificates are bonds linked to a right of residency. In return for a given amount, the senior is granted the right to live in a serviced flat for 20 or 30 years without paying rent. And as a resident, that person may also use the services and medical assistance. Any additional costs are, of course, invoiced on an *à la carte* basis. When the Certificate expires, the return on the capital invested goes to the buyer of the bond. And for Public Social Action Centres or non-profit organisations using Housing Certificates (in part), this scheme enables them to manage their budget more easily.



Thanks to Housing Certificates, seniors can remain independent for longer and so delay going into a rest home for as long as possible.

Our environmental commitment



“A bank that offers solutions that are innovative and respect the environment”

Energy, mobility, waste, CO₂, and so on - the desire to conduct our business while paying constant attention to the environment is becoming more and more a fact of life. It may be green initiatives conducted internally by our staff to reduce the consumption of paper and energy bills, or to promote long-term mobility and teleworking; or the development of financial products and services for our customers, intended to facilitate a transition to a greener economy, we all aim to participate in creating an economy that is fundamentally different and protecting the planet, while at the same time encouraging innovation, prosperity, security and a sense of hard work in one and all.

Our environmental commitment



For trips taken during working hours, our staff can use Villo! shared bicycles and Cambio cars.



Belfius has been using 100% green electricity since 2008.

750,000

For 750,000 personal accounts, statements are no long in paper format, but are electronic.



-53.8%

Since 2007, energy consumption (gas and electricity) for our central buildings has fallen by 53.8%.



79%

of Belfius staff working in Brussels travel to work other than alone in their car.

77%

of Public and Wholesale customers receive dematerialised account statements.

Energy

Energy efficiency

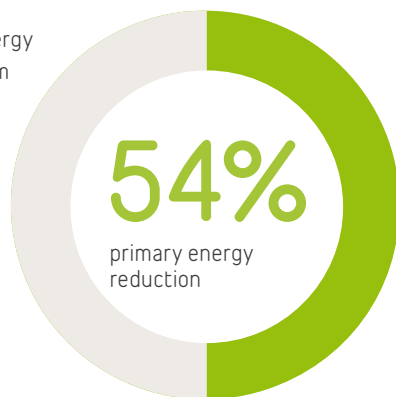
Objective: to reduce our consumption of primary energy

The energy efficiency of its buildings is at the heart of Belfius' strategy for sustainable growth. While rationalising energy consumption is the central element of our transition to an economy that is more efficient in the way it uses resources, it is also one of the most cost-effective ways of reducing emissions of greenhouse gases. The bank has also set itself a target over 5 years: reduce the consumption of gas and electricity at its central office buildings by 50% and by 25% at our regional offices and branches.

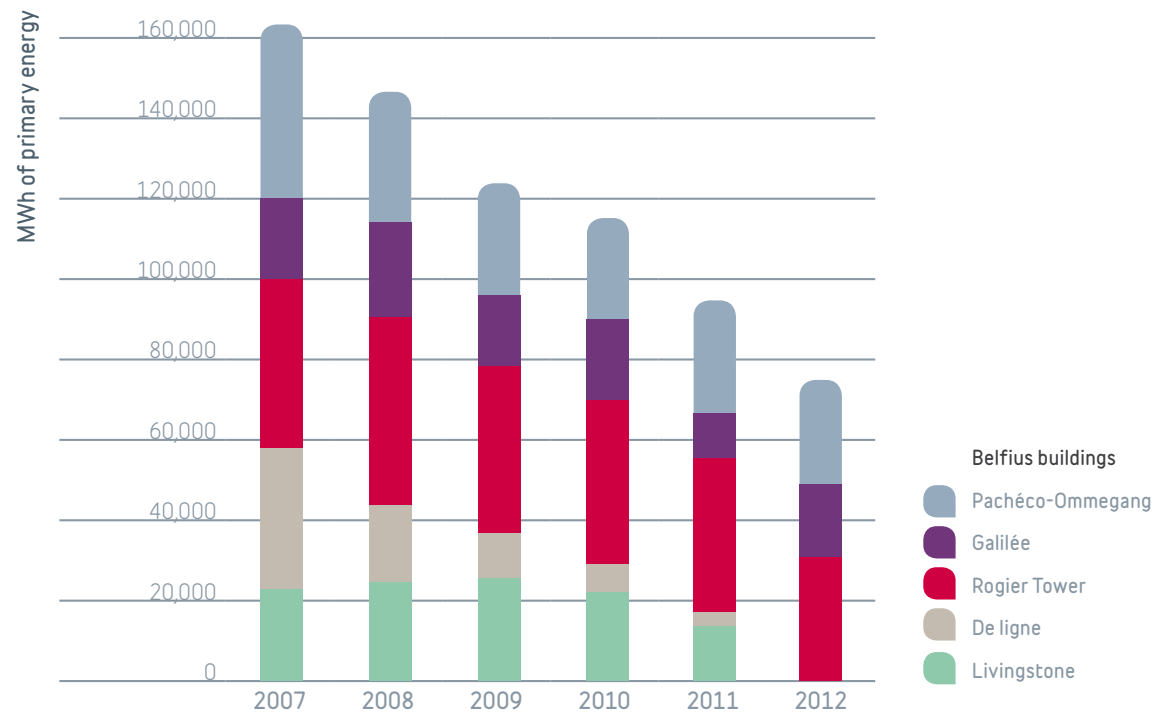
Head and regional offices

We have already achieved our target at our head office buildings. The implementation of programmes recommended by systematic voluntary energy audits, combined with optimising the use of office space and making our staff aware of the issues has enabled us to cut our consumption of primary energy by 53.8% compared with 2007, falling from 162,515,175 kWh in 2007 to 75,135,023 kWh in 2012.

Our consumption of primary energy per person has also fallen from 21,899 kWh to 10,946 kWh, which is a reduction of 50%.



Evolution of primary energy consumption at the head office



Energy audits

Back in 2007, the company decided to conduct systematic energy audits in its buildings, beginning with the 3 major sites in Brussels. These audits resulted in a performance inventory being drawn up and priorities being set aimed at reducing our energy footprint at these locations.

Audits were conducted each year: the Pachéco/Ommegang site in 2008, the Galilée building in 2009 and the Place Rogier tower in 2010. It was then the turn of our regional offices in 2011 and 2012. But we have no intention of resting on our laurels: between 2013 and 2016, the whole of our network will be examined so that we can guide each of our bank branches towards a low-energy standard, drawing on the lessons learnt from the conclusive experiments conducted at Lommel and Basècles (see below).

Each audit uncovered a series of important “quick wins”, which alone have been enough to cover the cost of the survey since year one. Usually it is just a matter of making simple adjustments and adopting responsible daily reflexes and habits that require no cost to establish. Priority was then given to improvement projects, offering a return on investment in under 3 years. All of these programmes have continued in the post-audit phase.

Optimising the use of space

Based on the observation that employees are never at their desk for more than 80% of their overall working time, we decided to adopt the “MobileWork” concept, which means that while staff no longer have a fixed desk work location, there is now a sufficient number of spaces to work, so that every member of staff at the office is able to move around and work in the best conditions. To ensure that there is sufficient flexibility in terms of space, teleworking is being encouraged more and more. The result in terms of energy usage: we have been able to vacate two medium-sized buildings (Royal Center in 2009: 350 employees and Livingstone in 2011: 1,050 employees) and staff have been transferred to the 3 main sites. By 2013, 30,000 sq. m. will have been leased out in the 3 head office buildings in Brussels. By 2015, that figure is set to rise to 50,000 sq. m.

Staff awareness

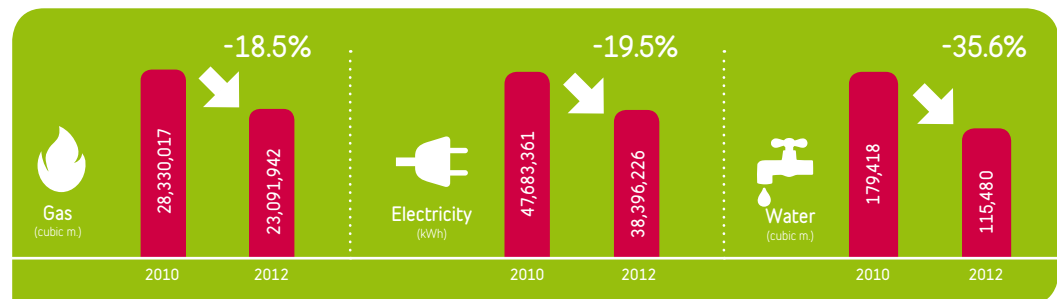
We conduct awareness campaigns each year. These include switching off the lights and screens in the meeting rooms and offices, “energy lunchtimes” and “thick sweater” days. This last programme has become a regular feature: every Friday since 12 February 2010, the thermostat in the office space is lowered by about 2°C. In winter, the temperature is set at about 20°C (instead of 22°C). These are what we call “Sustainable Fridays”. The savings made in 2012 through this programme were equivalent to those made in 2011: 1,389 MWh of primary energy and 207 tons of CO₂.

We have exceeded our target of reducing our primary energy consumption at head office by half.

What were the results at the end of 2012?

Consumption for the Belfius Group

All of the group’s gains in consumption are the result, first and foremost, of energy audits and making staff aware of the issues. Also, the resulting reduction in the number of buildings occupied by Belfius accounts for half of our success in reaching our target for the head office buildings. We should also note that to reduce our power consumption further, older PCs in the Belfius group will be progressively replaced by new ones that use less energy.



Low-energy and passive branches

As a pioneer in environmental matters, Belfius introduced an initial pilot project in 2011 for a low-energy branch at Lommel in the province of Limburg. The aim was to convert the ground floor of a building into a modern bank branch that consumes 25% less energy thanks to a number of technical improvements.

Continuing along the same lines, Belfius set up a second pilot project in 2012 at Basècles, in the province of Hainaut. This time, it focused on constructing a new building to passive energy standards to accommodate a bank branch. Apart from the Self-Service area, where the ATMs give off a great deal of heat, the whole of the branch has a greater level of insulation. Temperature control is achieved mainly by using the heat generated by the building being occupied, while cooling is achieved by replacing the air during the night in summer. The lighting in some of the passageways operates with motion detectors. The solar panels on the roof also contribute towards limiting the branch's consumption of primary energy.

The branch complies entirely with the conditions for a passive building (heating consumption lower than 15 kWh/sq. m. per year, energy consumption for cooling limited to 15 kWh/sq. m. per year and the premises are airtight with a rate of 0.6 volume per

hour). This pilot experiment has enabled an ongoing overall saving estimated at 38,800 kWh per year for heating and electricity, which is 45% better than other branches, as well as a reduction of CO₂ emissions of around 38%. Through these particularly interesting results, Belfius has shown that it is both possible and cost-effective to set up a passive bank branch and intends to take advantage of the experience gained from this pilot project when building new branches in the future.

100% green electricity

Objective: to use electricity produced from renewable energy sources

Since the beginning of 2008, Belfius has used nothing but renewable power to meet its day-to-day energy requirements. To achieve this, Belfius buys its green electricity from providers with guarantees of origin, certifying that an equivalent amount of renewable electricity from its total consumption is injected back into the grid.



100% green electricity is inexhaustible; we use it today and will still be able to benefit from it tomorrow.



The passive branch at Basècles enables 45% ongoing savings in consumption compared with other branches.

Mobility

Our Mobility Plan is celebrating its 12th birthday

Objective: to reduce our emissions of polluting gases

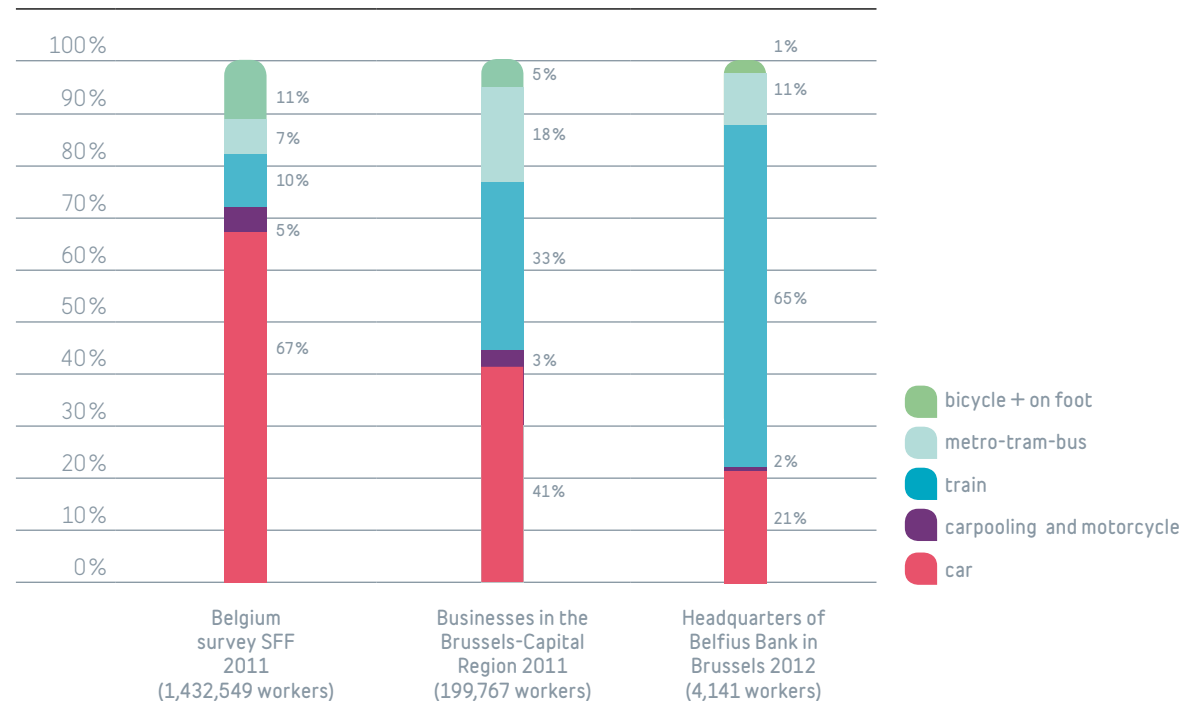
With 7,113 Belfius employees spread across numerous sites in Belgium, we are well aware of our ecological footprint and the economic impact of all the travel associated with our business. Programmes put in place since the end of 2000 have already demonstrated very promising results.

In 2013, we will be maintaining our efforts to make staff aware through a variety of programmes encouraging them to try coming to work at different times of the year by bicycle, car-pooling or car-sharing, or by public transport (Bike to Work, Bike Experience, Mobility Week, etc.), as well as by taking measures that continue to achieve enormous savings of CO₂.

Back in December 2000, Belfius Bank approved its first “Sustainable Mobility Plan” for staff travelling between home and work. This plan took the form of a collective work agreement encouraging sustainable methods of travel, while at the same time discouraging travelling alone by car. Introduced in April 2001, this plan includes numerous measures either to encourage sustainable methods (free public transport based on a formula of third-party payment, financial incentive to car-share or cycle), or to discourage certain habits (parking charges for solo drivers in Brussels). In 2003, a new collective agreement added a contribution to the journey from home to the station, as well as a refund for parking at the station. In 2004, teleworking was encouraged by a new collective agreement. In 2012, 8.75% of staff engaged in structural teleworking, at least two or three days a week, while 18.14% of staff also teleworked, albeit more occasionally. Result: in Brussels, approximately 79% of staff travel to work other than by car.

In 12 years, these proactive measures - cost for the company: EUR 21.6 million - have made it possible to avoid emissions of approximately 30,000 tons of CO₂.

Modal breakdown of home-to-work travel



While the cost of the Belfius Bank mobility plan seems high (approximately EUR 1,000 per employee per year), this is due mainly to the distance between home and work covered each day by our staff (approximately 42 km, which is twice the average for Belgium), as well as to the employer contribution, mandatory for the financial sector, to the home-work travel costs of drivers.



79% of bank staff in Brussels travel to work other than alone by car.

Changes 2000 - 2012 in home-work travel in the Brussels Region and in Belgium: Belfius/companies

Main method in 2012 (home-work)	Brussels region Belfius Bank 2000	Brussels region Belfius Bank 2012 ¹	Brussels region Companies (PDE 2011) ^{2,3}	Belgium Belfius Group 2012	Belgium Companies 2011 ²
Car	55.3%	21.1%	40.9%	40.6%	67.3%
Motorcycle and carpooling	0.5%	1.7%	3.2%	1.1%	4.9%
Public transport	43.9%	75.8%	50.8%	55.2%	16.1%
Coll. transp. employer	0.0%	0.0%	0.5%	0.0%	0.7%
On foot and by bicycle	0.3%	1.4%	4.6%	3.1%	11.0%

(1) 56,3 % of the Group.
 (2) Data from the national survey (2011) on the home-to-work travel in companies employing more than 100 workers.
 (3) PDE : plan de déplacement d'entreprise (business travel plan).

Ecological transport

Objective: to active encourage the use of alternative modes of transport

To work by bike!

As part of its mobility plan introduced in 2001, Belfius actively encourages its staff to travel to work by bicycle by giving them an allowance per kilometre. The bank has always adjusted this allowance to the maximum tax-deductible amount, i.e. EUR 0.21 per km in 2012 and EUR 0.22 per km since 1 January 2013. Compared with cars, public transport and walking, cycling is the fastest method of transport in town. No making changes, no downtime, door to door, it's the most direct way. Bikes are great for threading through traffic jams and parking them



is easy. This means that employees on bikes arrive at work on time and are wide awake when they get there!

At the central office in Brussels, cyclists benefit from an ideal infrastructure:

- secure covered bike storage, complete with foot pump, wall map of routes in Brussels, a mirror, power points for recharging electric bikes;
- repair kit available at reception;
- changing rooms with personal lockers and showers;
- high-visibility top in company colours and map of cycle routes given to each cyclist;
- training courses for riding a bike in town, sometimes with coaching for new cyclists given by more experienced workmates;
- breakfast provided every Friday during office hours for staff who cycle to work (Friday Bikeday) from the beginning of April to the end of September. In 2012, 177 cyclists consumed 1,400 breakfasts.

The bank also takes part in numerous bike promotions or competitions, such as “Bike Experience”, “Bike to Work” and the Winter Trophy 2012.

→ Bike Experience

Bike Experience happens in the spring of each year. The aim is to encourage the people of Brussels to cycle to work. And anyone not yet accustomed to cycling in the city - *the Bikers* - are given the assistance of a coach who accompanies them and gives them good advice for three days.

In 2012, 30 staff members took part in Bike Experience, 19 as “bikers” (drivers trying cycling) and 11 as coaches (experienced cyclists).

→ Bike to Work

Bike to Work is an ongoing national support programme aimed at encouraging a maximum number of people to cycle to work, possibly in conjunction with another form of transport (train/bus/car).

In 4 years, over 750 staff members enrolled in the programme have already cycled more than 2 million km.



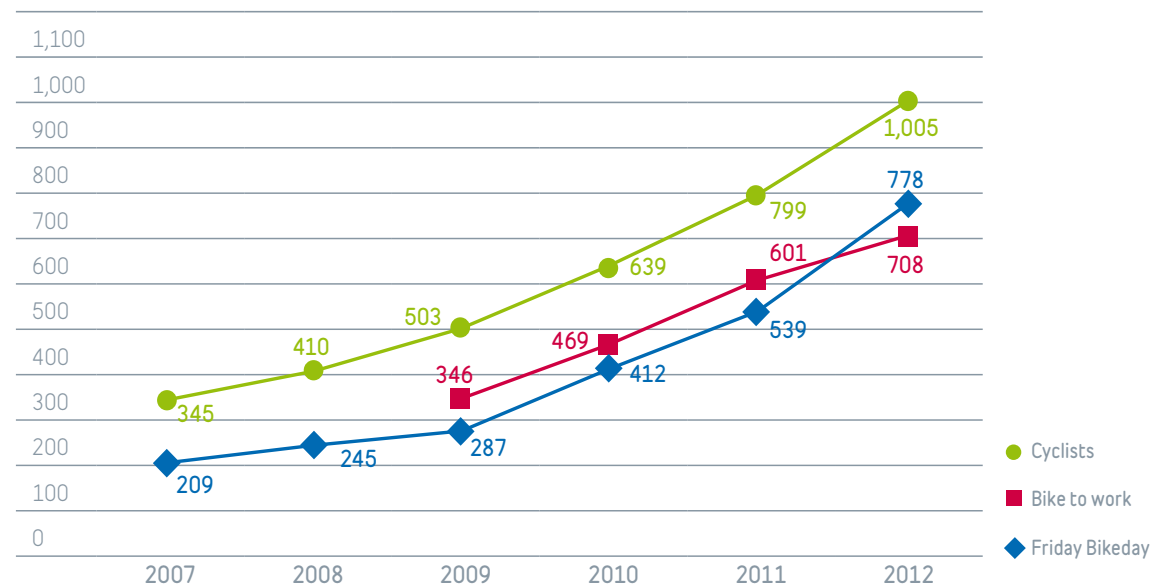
In 2012, 292 Belfius cyclists (73 teams) took part in the **national summer team competition**, with an average cycling rate of 80.6%. Out of the 73 teams, 68 succeeded in meeting their challenge. 56 teams completed in excess of 75% of their trips by bike, while 13 were over 50%. 109 of those enrolled cycled every day despite the rain, 77 managed over 80% and 73 more than 50%.

At the Bike to Work **Winter Trophy 2012** (winter competition between companies) held in November-December, Belfius was ranked **2nd largest Belgian company** with 247 highly motivated participants. This was miles ahead of the other Belgian banks taking part.

Encouraging results! This year, Belfius broke through the barrier of 1,000 cyclists in the company. The graphic below shows this development clearly. **6.8%** of Belfius employees use their **bikes** daily to get to work, with 3/4 of them going to the station to take the train.

In 2012, we broke through the barrier of 1,000 cyclists.

Evolution of the number of cyclists at Belfius



Villo! and Cambio

Belfius has used the shared urban **Villo!** bicycles since 2009 to encourage employees to travel by bike over short distances in the capital. Over longer distances, we became in 2010 the first major bank to make intensive use of **Cambio**, the Belgian system of shared cars. By creating 3 Cambio stations in front of our central buildings, we have been able to replace 25% of our fleet of service vehicles. In addition to reducing emissions of CO₂, this initiative helps us contribute towards reducing the amount of space occupied by cars in town. We are also working on increasing the availability of shared vehicles for local residents.



Tests and information sessions

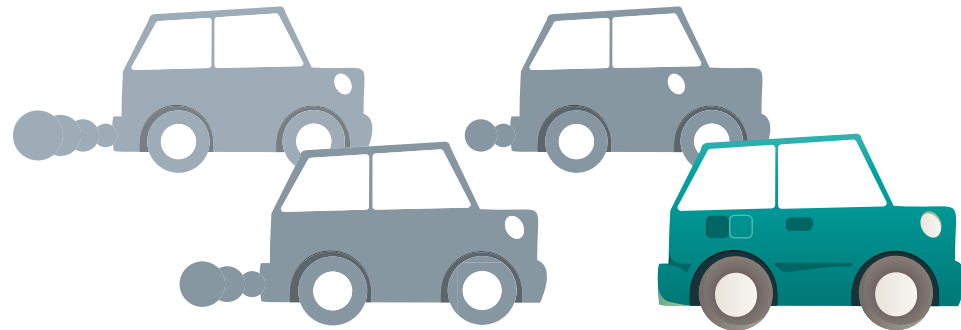
In 2011, we were one of the two pilot companies to successfully test the concept of “travelling to work for a week without the car”. As part of this programme, the bank received aid from the Brussels Region and the public transport operators to enable staff who normally come to work by car to test out public transport for a week (free travel passes).

In 2012, information sessions covering mobility issues, about the initiatives taken by Belfius, and about the aims of our Business Travel Plan for the future were also organised.

Green Car Policy

Objective: to develop a fleet of cleaner vehicles

Although only 11.9% of Belfius Bank staff have a company car, the bank introduced a Green Car Policy in 2008 designed to establish a reducing annual ceiling for theoretical emissions of CO₂ for leased vehicles. Objective: to reach a theoretical average for the fleet of 130 g CO₂/km in 2013. This would appear to be achievable because we were already at 133 g on average in 2012.



We achieved an average of 133 g CO₂/km in 2012.

Travel policy

Objective: to encourage teleconferences and other methods

Having a travel policy is a tool in its own right for the bank's sustainable development. As a result, a Travel Policy has been implemented in order to promote the use of less polluting methods of transport for business travel. We are also determined to reduce our carbon footprint by recommending to staff, for example, that they give preference to a video conference or telephone conference call over an energy-consuming trip.



Transporting funds

Objective: to make a significant reduction in demand for transporting money

In order to reduce journeys by transporters carrying cash, Belfius has equipped all of its branches with new automatic cash dispensers ("recyclers") capable of sorting notes when cash is deposited so that they can be dispensed again afterwards. This measure makes it possible to reduce the requirement for cash shipments significantly, which is a bonus both for the environment and for safety.



Belfius has equipped all of its branches with *recyclers* capable of sorting banknotes.

Waste

Paper

Objective: to reduce paper consumption as much as possible by dematerialisation

Dematerialisation consists of converting any type of physical documents into digital files or of creating them directly in digital form. In addition to saving time and space, this process reduces the pressure of our consumption methods on natural resources and on the quality of our environment.



Paper is the bank's leading consumable. This means that reducing the quantity of paper waste is a priority. The group's purchases of paper fell from 1,924,186 kg in 2008 to 1,589,765 kg in 2012, which was a reduction of 334,421 kg or 17.38%. This reduction is due mainly to the group's effort to dematerialise.

Also, **94.34% of the paper purchased** by Belfius in 2012 **was certified by the FSC** (Forest Stewardship Council).

Nevertheless, it should be noted that in the absence of data for the years prior to 2012, these quantities of paper purchased do not take account of:

- commercial brochures intended for customers (28%, or 620 tons).
- business cards and greetings cards (684 kg). Electronic greetings cards have been preferred since 2006, while their paper equivalent only represented 23,700, or 26% of the 89,981 cards sent in 2012.

In 2010 and 2011, the central office underwent major internal moves and implemented the MobileWork concept involving a reduction in the number of cabinets. This created a need to eliminate a significant quantity of paper waste and while, paradoxically, a more effective waste-sorting process (notably using secure containers) enabled the overall quantity of unsorted waste to be reduced, but also resulted in an increase in waste paper, **the annual production of paper waste is likely to continue falling in the years ahead** to below the average for the services sector in Brussels, which is approximately 50 kg per employee.

The programmes conducted to reduce our consumption of paper include:

- the paperless office of our subsidiary Belfius Insurance (digitisation of all documents relating to policies);
- the paperless initiative in the Human Resources department (payslips, tax documents and annual individual account in electronic format);
- the electronic portal (management of holidays and working times, updates to biographical data, assessments, training courses, expense accounts, etc.);
- default setting of printers to print on both sides;
- the Locked Print feature, reducing the quantity of printed paper left in printers.

Our customers are also helping to reduce paper consumption:

- via **Belfius Direct Net Only**. This service allows personal customers to receive their account statements in electronic format (currently 1.2 million accounts, i.e. 31% more than in 2011);
- via **PaPyRuS**. This service offers customers in the public sector – traditionally major consumers of paper with a high number of accounts, transactions and hence statements – a secure digitisation system for their bank reporting documents. Currently, more than 75% of account statements are no longer printed (66% at the end of 2012), representing a gain of over 9 million pages a year.



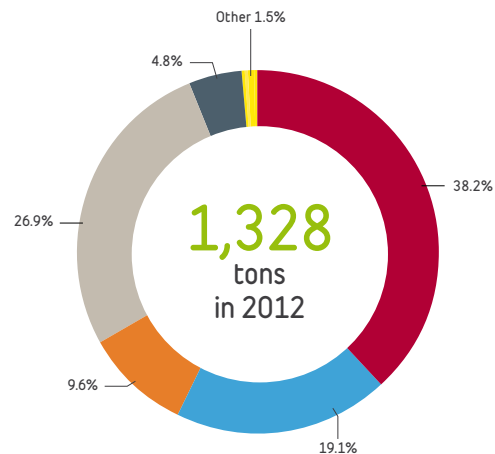
Other waste

Objective: to limit our production of waste

There are a number of programmes in place to limit our production of waste. By way of illustration, we should mention the recycling and process of IT equipment, the placement of sorting bins at workstations and programmes to make staff aware of the need to sort waste.

As to the quantity of waste generated by Belfius in 2012, we only have accurate figures for the central office buildings, as well as for confidential paper for branches in the employee network. Based on this, in 2012, this part of Belfius produced 1,328 tons of waste, compared with 1,554 tons in 2009. A breakdown by category of waste is mentioned below.

The increase in the weight of waste in 2012 is closely associated with the group's change of name and, to a lesser extent, to the continued introduction of workspace rationalisation (MobileWork), which caused the elimination of large quantities of paper accumulated over previous years.



As a result, approximately 93 tons of “confidential paper” waste was recovered from Belfius employee branches in 2012 (compared with some 82 tons in 2011).

In addition, the central offices generated 64 tons of food waste (from the company's catering) in 2012. It is important to note that this waste is ground up and converted into biogas after removal from site.

Food waste is converted into biogas after removal from site.

Changes to the quantity of waste by category (in kg)

	2009	2010	2011	2012	Evolution 2009-2012
Residual	602,000	521,200	499,200	507,200	-15.7%
PMT	222,150	245,650	244,450	253,980	14.3%
Cardboard	120,500	120,125	80,150	127,300	5.6%
Confidential paper	511,160	461,582	466,396	356,890	-30.2%
Food grinder	65,420	69,420	59,230	63,790	-2.5%
Degreaser	13,812	13,724	6,984	3,480	-74.8%
Frying oil	4,426	3,720	4,749	3,080	-30.4%
Lightbulbs	304	88	28	200	-34.2%
Glass	7,420	6,510	5,950	7,560	1.9%
Small hazardous waste	825	350	619	1,644	99.3%
Class II	5,850	4,800	2,700	3,352	-42.7%
Total	1,553,867	1,447,169	1,370,456	1,328,476	-14.5%

Carbon footprint: down sharply

Objective: to control our direct or indirect emissions of CO₂

Although this method is incomplete on account of the unavailability of certain data, our carbon footprint enables us to have a good estimate of the direct and indirect CO₂ emissions caused by the activities of the Belfius group. By ranking the various items by importance, knowing the footprint makes it easier to develop priority actions to reduce our greenhouse gas emissions. And as we base our environmental success on the principle of constantly improving our systems, it is important for us to put processes in place today that will enable us to recover the data currently missing for our next report.

Carbon footprint 2012	Consumption causing emissions	Emissions in tons of CO ₂	Breakdown of emissions
Scope 1			
Gas (heating buildings)	23,091,942 cubic m.	54,728	74.1%
Heating oil (heating buildings)	307,585 litres	818	1.1%
Vehicles owned (fuel for service and company vehicles)	32,182,626 km	4,280	5.8%
Scope 2			
Electricity consumed (all green)	20.3 GWh	0	0.0%
Scope 3			
Consumables (paper)	2,210,499 tons	4,421	6.0%
Employee home-work travel	109,036,588 km covered	9,184	12.4%
Business travel in private cars	3,159,014 km driven	470	0.6%
Electricity consumed for Belfius in the data centres of our IT provider (DTS Luxembourg), all green	8.76 GWh	0	0.0%
TOTAL		73,901	100.0%

The group's indirect emissions linked to the consumption of gas, heating oil and electricity were 55,546 tons of CO₂ in 2012 (taking account of the fact that the emission factor for electricity is 0 kg CO₂/kWh since 100% of the electricity consumed by Belfius is certified green) (scope 2).

In 2012, our vehicles (service vehicles and company cars) emitted a total of 4,280 tons of CO₂ (scope 1) for 946 vehicles, emitting on average 133 g CO₂/km and covering 32 million km. Over the past 5 years, these CO₂ emissions have fallen by 12%, or 580 tons.

With its consumption of paper, the group indirectly emitted 4,421 tons of CO₂ in 2012.

Also, during their business travel using their private cars, Belfius staff emitted 470 tons of CO₂ in 2012.

Finally, with regard to home-work travel in 2012, Belfius staff covered a total of 109 million km and emitted 9,184 tons of CO₂ (scope 3). These emissions made during home-work travel corresponded to 44.1% of the 20,815 tons of CO₂ that would have been emitted had all employees come to work alone by car. Very fortunately, more and more Belfius staff use other, more sustainable, means of transport than their car.

Note that if we restrict ourselves to the basic scope (scope 1 and 2), we can see that the annual emissions of CO₂ fell by 36.3%, or 34,131 tons, over the past 5 years.

The Belfius group reduced its CO₂ emissions by 36% between 2007 and 2012.

The following elements are still missing in our carbon footprint:

- business travel by air and train;
- transport of mail and valuables to our network of branches;
- kilometres travelled by our other suppliers;
- kilometres travelled by our customers;
- catering (company catering);
- impact from our waste;
- purchase of services, etc.

Prize and awards

“Eco-Dynamic Company” quality label

Objective: to highlight the quality of our environmental management

The Brussels Capital Region awards the quality label of “Eco-Dynamic Company” to companies based on the quality of the environmental management of their buildings or sites in Brussels. This label rewards them for their environmental dynamism and their progress, in particular, in waste management, the rational use of energy and management of employee mobility, etc. These labels have to be renewed every 3 years. Two buildings at the central office were re-assessed in 2012: the Pachéco/Ommegang site (1 star in 2008) and the Galilée building (2 stars in 2008).



The Galilée building became the 20th building in the Region to be awarded the maximum of 3 stars, while the Pachéco-Ommegang site was awarded 2 stars, missing out on 3 stars by just a few points.

The following main points acted in our favour to obtain these labels:

- **Reduction in energy consumption** (and associated production of CO₂): the energy audits and introduction of the majority of their recommendations, as well as the MobileWork concept and the resulting 25% gain in office space enabled Belfius to reduce its energy consumption by half between 2007 and 2012. The “Sustainable Fridays” programme and the lighting campaign for the meeting rooms also catch the eye of the judging panel.
- **Home-work mobility:** 79% of Belfius staff working in Brussels travel to work other than alone in their car. This figure has changed favourably over the past 12 years, enabling our company to save approximately 30,000 tons of CO₂. The possibilities of teleworking, the number of cyclists and numerous initiatives specific to Belfius (“travelling to work without the car” week, “travelling to work without the car” day, Cambio, Villo!, Bike to work, Friday Bikeday, etc.) also favourably impressed the jury.

- Existence of an **active sustainable development unit**, **staff awareness** programmes and the numerous other programmes introduced: the jury also noted the actions of the Environment Committee of the CPPW (Committee for Prevention and Protection in the Workplace) at Belfius, the network of 60 eco-coaches, the efforts to reduce paper consumption, the FSC label for our paper and the 75 g A4, the new detergent-free cleaning system, etc.

The Galilée building became the 20th building in the Brussels Capital Region to be awarded the maximum of 3 stars.



BREEAM certification

Objective: to assess and improve the environmental performance of buildings

Introduced in 1990 in the United Kingdom, BREEAM (Building Research Establishment Environmental Assessment) is the world's leading benchmark for assessing and improving the environmental performance of buildings, with over 250,000 buildings certified and over a million in the process of certification.

Among those awaiting certification, our Rogier Tower and Galilée building have been audited and rewarded with a "BREEAM-in-use" certificate.



BREEAM assesses buildings in the following areas: energy, management, health and well-being, transport, water, materials used, waste, land usage, ecology and pollution.

GALILÉE
Asset rating: ★★★★★ (very good)
Building management: ★★★ (good)

ROGIER TOWER
Asset rating: ★★★★★ (very good)
Building management: ★★★★★ (very good)



Correlation table



Correlation table

	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Message from the Chairman	1	1.1; 2.1; 2.9; 3.11			
Profile of Belfius	2	2.6			
<i>Our mission</i>	2	2.5			
<i>Our activities</i>	3	2.2; 2.3; 2.7			
Retail and Commercial Banking	3				
Public and Wholesale Banking	3				
Insurance	3				
Responsible management of human resources	4	LA2; LA13	6.4.3	1 and 2	
Group governance structure	5	4.1; 4.2	6.2		
Key figures	6	2.4; 2.8			
Strategy on sustainable development: Belfius investing in the future	7	4.8; 2.7; FS1; 2.1		8	15
Energy efficiency: a topic for priority action in 2012	8	EN5	6.5.3		
<i>EU plan 2011 for energy efficiency</i>	8				
<i>2012 priority for Belfius: low-energy buildings</i>	8				



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Our economic commitment	9				
Economic situation and outlook	11				
<i>Belfius back in profit in 2012</i>	11		6.8.7		
<i>European Commission approves our strategic plan</i>	11				
<i>Significant improvement in the liquidity profile</i>	11				
<i>100% Belgian bank</i>	12				
<i>The customer at the heart of the banking relationship</i>	13		6.7.3		
Socially responsible policy on investing	14	EC1; EC8	6.8.9		
<i>Portfolio21</i>	14				
<i>Socially responsible investment funds (SRI)</i>	14				
<i>Funding for the community</i>	16				
Financial partner for the public and social sectors	16	S01			3; 20 ³
Financial partner for SMEs	18	S01			3
Financial partner for start-up businesses	18	S01			3
Financial partner for private individuals	19	S01			3



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Our commitment on sound governance	20				40 ⁵
Corporate governance	22				
<i>New, more robust rules concerning risk management</i>	22	4.11			
Governance	23				
Risk Committees	23				
Risk appetite	24				
The Global Compact	25	4.12		1 and 2	
Compliance Charter	26	4.8; FS1	6.6.6	1 and 2	
<i>Fight against money-laundering and the funding of terrorism</i>	26				48
<i>Market abuse and personal transactions</i>	26	FS2			48
<i>Integrity and duty of care</i>	26		6.3.3		48
<i>Protection of data and professional secrecy</i>	27		6.7.7		
<i>Conflicts of interest</i>	27	4.6	6.4.3	3	
<i>External mandates</i>	27				
<i>Independence of the company auditors</i>	27				



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
<i>Whistleblowing</i>	27	FS3			
Responsible customer relationships	28				
<i>Investor portraits</i>	28		6.7.3; 6.7.4		
<i>How our advisers are paid</i>	28				
<i>Responsible lending</i>	29	PR3	6.7.6		
Responsible supplier relationships	30	HR2; EC6	6.3.3; 6.6.6; 6.8.5; 6.8.7	1 and 2	
Our social commitment	31				12
Support for the community	33				
<i>Local Team Spirit</i>	33		6.8.3		
Locally	33				
Nationnaly	33				
<i>Generation United</i>	34	FS1	6.8.3		
Some examples	34				
<i>Belfius Financial Academy</i>	34	FS16	6.7.9		
Green Days	35				



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
<i>Access to our banking services for everyone</i>	35		6.7.8		
<i>Fighting against exclusion from banking</i>	35	FS1; FS14	6.7.8		2
<i>Flex-i-Trans</i>	36	FS1	6.7.8		
<i>Socio-demographic profile, MAHA, MARA and other studies</i>	37		6.8.9		
Profiling the socio-demographics of municipalities	37	FS4			
MAHA, MARA and other studies intended for public authorities	37				
<i>Community Services Center</i>	37	S01	6.8.9		
Example: Special Olympics European Summer Games, Antwerp 2014	37				
Example: Debt mediation	38				
Patronage	39		6.8.3		
<i>Funding and helping organisations</i>	39				
<i>Microcredits</i>	39	FS14			3
<i>Helping Hands</i>	40	FS4			3
<i>Colour Your Hospital</i>	40	FS1; EC8			
<i>Culture for Everyone</i>	41	EC8	6.8.4; 6.8.9		



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Belfius Classics	41				
Belfius Art	42				
Our staff	43	LA11			
<i>Information, dialogue and guidance for our staff</i>	43	LA11	6.4.7		11
In-house communication	43	4.4	6.4.3		
Social dialogue	43		6.4.5	3	
Teleworking	43		6.4.4		
Preventing situations of stress	44	LA8	6.4		
Ongoing training	44				
<i>Fighting discrimination and making the most of differences</i>	44		6.3.7	6	
Partnership with Passwerk	44	S01			8
Job students	45				8
<i>Eco-coach project</i>	45		6.8.3	8	
<i>Environment Committee</i>	45		6.8.3	8	
<i>Blood donations</i>	46		6.8.3; 6.8.8		



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
<i>International Day of the Eradication of Poverty</i>	46		6.8.3		
Our commitment to others	47	EC8; EC9	6.8.9		
Impact on the environment for our personal customers	49	EN26		8 and 9	
<i>Eco Loan</i>	49				13 ¹ ; 18 ²
<i>Insurance</i>	49				13 ¹ ; 18 ² ; 22 ⁴
Impact on the environment for our public and business customers	50	EN26		8 and 9	
<i>Efficient energy management</i>	50		6.6.6; 6.5		18 ²
Green Fleet	50				12, 22
Green IT	50				12
Photovoltaic solar panels and cogeneration	51				13 ¹ ; 18 ²
<i>Green Building Solutions</i>	51				18 ²
<i>Green guarantee</i>	52				12
Social impact for our personal customers	53			1	
<i>New Family Plan</i>	53		6.8.9		
<i>Products and services for fighting against excessive debt and banking exclusion</i>	53	FS14	6.7.8; 6.8.9		



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Basic banking service	53				
MasterCard Prepaid	53				
<i>Sustainable investment funds</i>	54		6.8.9		14
<i>Philanthropy</i>	54				
Social impact for our public customers	55				
<i>Social products</i>	55		6.7.8; 6.8.3	1	2; 44 ⁶
Solutions dedicated to the ageing population	56				
Our environmental commitment	57				12
Energy	59		6.5.3; 6.5.4	7 to 9	
<i>Energy efficiency</i>	59				
Head and regional offices	59				
Energy audits	60	EN6; EN5			
Optimising the use of space	60	EN6			
Staff awareness	60	FS4; EN5			
What were the results at the end of 2012?	60	EN8; EN3			



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Low-energy and passive branches	61	EN5; EN6; FS1			
100% green electricity	61				16; 17
Mobility	62	EN7	6.5.4; 6.8.8	8	
<i>Our Mobility Plan is celebrating its 12th birthday</i>	62	EN16-EN18			23
<i>Ecological transport</i>	63				
To work by bike!	63				22
Villo! and Cambio	65				22
Tests and information sessions	65				22
<i>Green Car Policy</i>	65				
<i>Travel policy</i>	66				
<i>Transporting funds</i>	66				
Waste	67	EN22	6.5.3	7 and 8	
<i>Paper</i>	67	EN1			34
<i>Other waste</i>	68	EN1; EN22			28
Carbon footprint: down sharply	69	EN16			16; 31



	Page	GRI	ISO 26000	Principles of the Global Compact	Federal plan ⁷ : Appendix 1 ⁸ (Long-term objectives)
Prize and awards	70	2.10; 4.12			
<i>"Eco-Dynamic Company" quality label</i>	70				
<i>BREEAM certification</i>	71				

(1) By accepting this offer of attractively priced products, Belfius clients have the opportunity to opt for behaviour which has a less adverse impact on the environment.

(2) We consider that, with these products, Belfius is playing a role in encouraging the production of products with greater energy efficiency.

(3) Co-financing the "Northwind" wind farm project.

(4) The Car Eco Loan.

(5) In its capacity, Belfius follows this example and advocates good governance.

(6) Socio-demographic profiles of municipalities.

(7) Correlated to the Belgian Federal Sustainable Development Plan for 2050:

Belfius does not claim that it has already met all of the long-term objectives set in the Federal Sustainable Development Plan, but it is seeking to position itself correctly in relation to them (thereby making or being able to make its own worthwhile contribution). This initiative aims firstly at raising awareness and secondly at endeavouring to integrate those long-term objectives into the internal life of Belfius so that it can play a major role in making Belgium a sustainable society by 2050.

We have chosen to refer to the long-term objectives (Appendix 1)⁸ rather than to the indicators (Appendix 2)⁹. This choice was guided by the fact that the Federal Plan was established for an entire nation and not specifically for a company, so the indicators were less appropriate to Belfius. Moreover, the much broader long-term objective approach enables Belfius to identify the manner in which it can respond best to those Federal objectives.

(8) Appendix 1 to the Royal Decree setting the long-term strategic vision for sustainable development.

(9) Appendix 2 to the Royal Decree setting the long-term strategic vision for sustainable development.



Contact

For further general info over Belfius Bank & Insurance,
feel free to surf www.belfius.be.

Any question about this report?

Press contact: press@belfius.be or + 32 2 222 02 50

Any other queries? Then call +32 2 222 12 01

And, of course, you can always follow us on the social networks:

 facebook.com/Belfius

 twitter.com/Belfius

 LinkedIn.com/company/Belfius

 YouTube.com/BelfiusBe

