

## Banking and Finance in Belgium

# Febelfin

## facts & figures 2009-2010

» Febelfin, i.e. the Belgian Financial Sector Federation, which was created in 2003, consists of five financial trade organisations: the Belgian Bankers' and Stockbroking Firms' Association (ABB-BVB), the Belgian Asset Managers Association (BEAMA), the Professional Union of Credit Providers (UPC-BVK), the Belgian Leasing Association (BLA) and the Belgian Association of Stock Exchange Members (BASEM)<sup>(1)</sup>. This focused concentration of forces has made Febelfin an organisation which is bigger than the sum of its parts. This brochure offers a survey, based on selected facts and charts..

*(1) These trade organisations are full members of Febelfin. The company-members of the federations are automatically given the status of 'affiliated' member of Febelfin. There are also a number of affiliated members with a special status. As for ABB-BVB, its members are banks (credit institutions) and stockbroking firms established in Belgium. In addition, there are several 'associated members' (the representative offices of foreign banks present in Belgium).*

## Banking and finance in Belgium

### Banking

- International and European dimension
- Selected social-economic aspects
- Main developments and trends
- Results of the banking sector

### Lending to households

### Leasing-financing

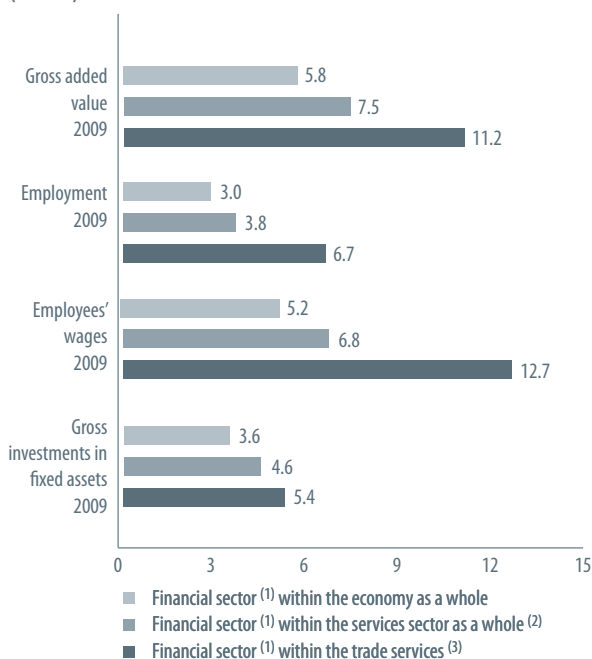
### Undertakings for collective investment (UCIs)

### Investment companies

### The financial markets: currencies, shares, debt securities and derivatives

- The financial markets at the global and European level  
(NYSE) Euronext, home of the Belgian Stock Exchange
- Selected additional aspects of Belgium's money and capital markets
- Clearing and settlement

## Banking and Finance in Belgium

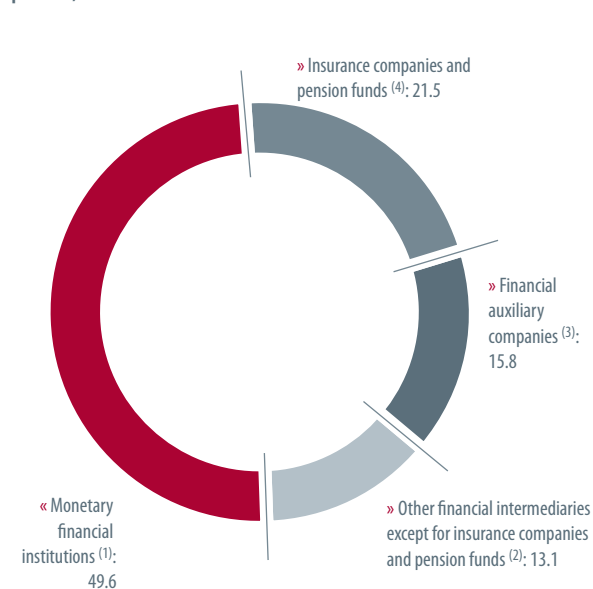
**Chart 1: The financial sector's contribution to the economy (as a %)**

Source: Febelfin calculations on national accounts data (INA, detailed accounts and tables 1998-2009).

(1) The criteria as for the gross added value and the employees' wages pertain to the institutional financial sector. The other two criteria pertain to the segment of financial activities.

(2) Services sector: trade services (see footnote 3), the public sector (civil service, defense, obligatory social allowances), education and other kinds of services (health care, social action, community, socio-cultural and personal services, sport and recreation, association, private households with personnel) taken as a whole.

(3) Trade services: trade, hotels and restaurants, transport and communications, financial services, real estate, equipment leasing, IT, R & D and business services.

**Chart 2: Breakdown of gross added value according to the financial subsectors (as a % of the total figure, 2007-2009 period)**

Source: Febelfin calculations on national accounts data (INA, detailed accounts and tables 1998-2009).

(1) Credit institutions, monetary CIS and central bank.

(2) Financial leasing companies, institutions granting consumer credit, mortgage loans and other kinds of credit, financial holdings, stockbroking firms, factoring companies, CIS (except those of the monetary type), etc.

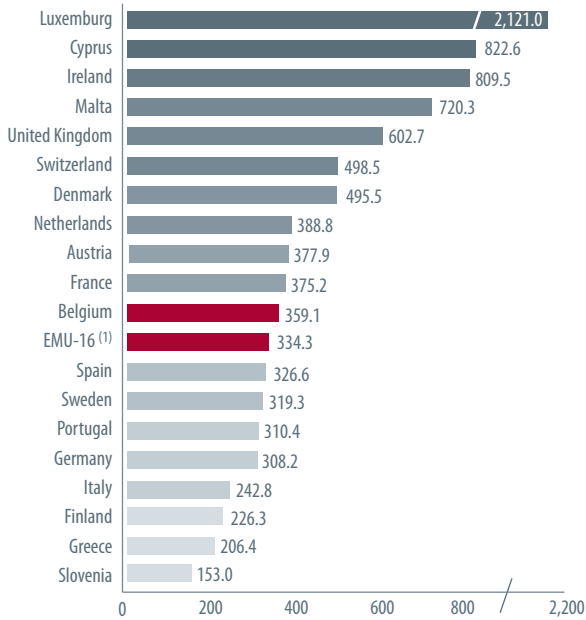
(3) Companies for Stock Exchange management (such as Euronext), companies for portfolio management, asset management and investment advice, mortgage credit brokers, exchange offices, insurance agents and brokers, experts in damage and risk assessment, etc.

(4) Insurance companies, reinsurance companies, pension funds, Office du Ducroire.

## Banking

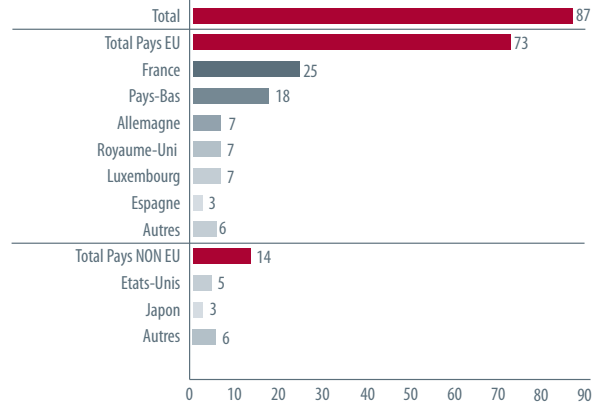
### International and European dimension

**Chart 3: European comparison of the sector's contribution to the economy – Total assets of the whole of credit institutions as compared to the GDP (as a %, 2009)**



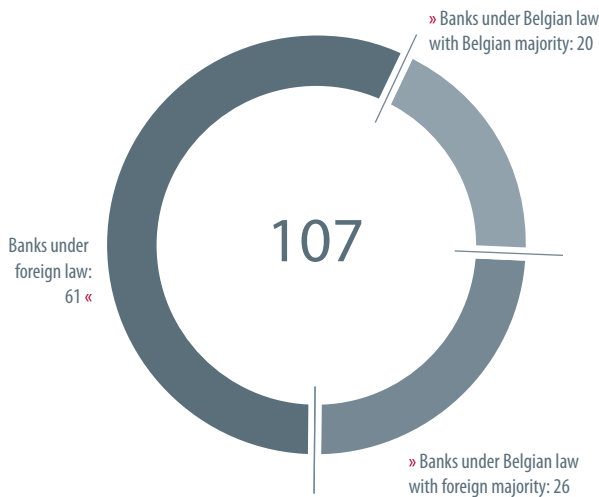
Source: Febelfin calculations on data provided by the European Central Bank (ECB), Banque Nationale Suisse (as for Switzerland).  
(1) Weighted average 16 EMU Member States.

**Chart 5: Foreign banks (1) established in Belgium (number, end of September 2010)**



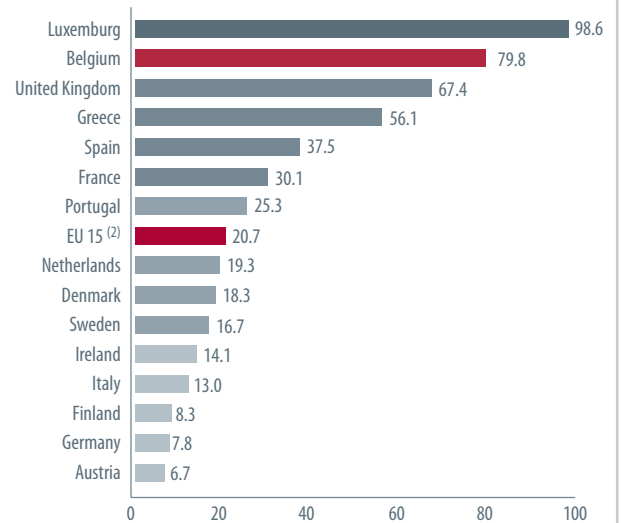
Source: Febelfin calculations and presentation on CBFA data.  
(1) Subsidiaries and branches of foreign banks taken as a whole.

**Chart 4: Number of banks established in Belgium (end of September 2010)**



Source: Febelfin calculations on Febelfin and CBFA data.

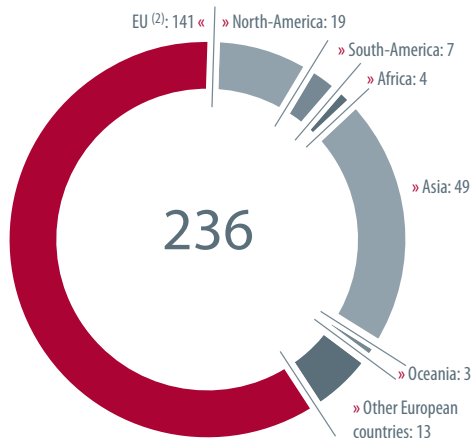
**Chart 6: Internationalisation of the banking population European comparison (number of foreign banks (1) vs. the total number of banks, as a %, 2009)**



Source: Febelfin as for Belgium and Febelfin calculations on ECB data as for the other countries.

(1) Banks under foreign law ('branches') as well as banks under the law of the Member State concerned but with a foreign majority ('subsidiaries').  
(2) Data pertaining to the 'former' 15 EU Member States.

**Chart 7: Geographical breakdown of Belgian banks' offices<sup>(1)</sup> abroad (end of 2009)**

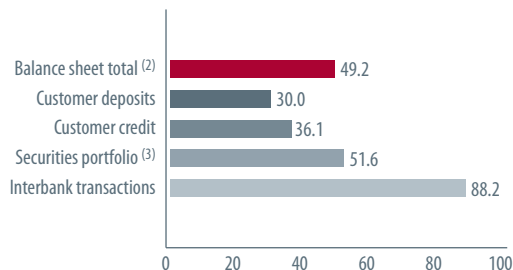


Source: Febelfin.

(1) I.e. branches, bank and financial subsidiaries, representative offices and qualified participating interests in banks and financial institutions.

(2) EU with 27 Member States.

**Chart 9: Share taken up by international transactions<sup>(1)</sup> in the activities of banks established in Belgium (as a %, end of September 2010)**



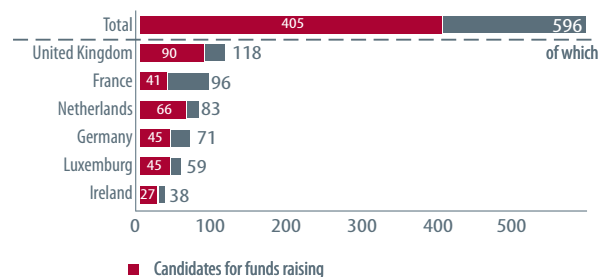
Source: Febelfin calculations on NBB data.

(1) Transactions in EUR with foreign countries and foreign currency transactions.

(2) Assets and liabilities average.

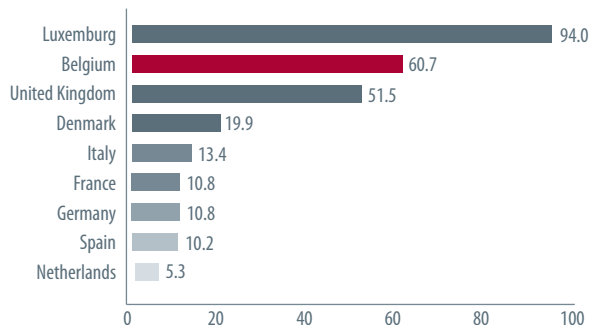
(3) All securities and participations, except for Belgian public debt instruments.

**Chart 8: Requests from banks in other EU Member States to provide services in Belgium under the system of free provision of services (number, end of September 2010)**



Source: Febelfin calculations and presentation on CBFA data.

**Chart 10: Share of foreign banks<sup>(1)</sup> in the banking sector's activities volume (share, as a %, in total bank assets, 2009)**

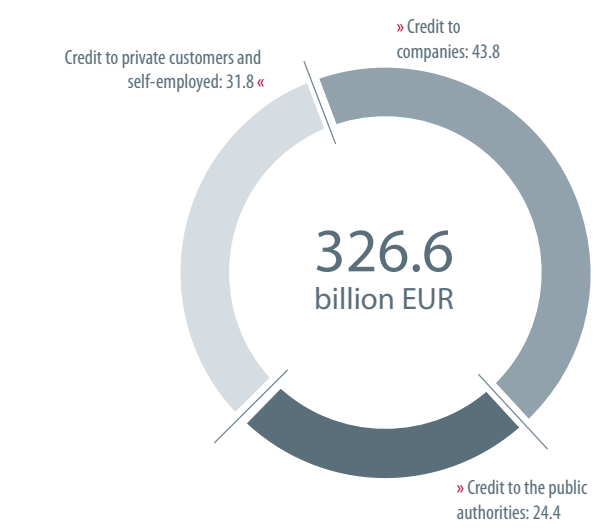


Source: Febelfin calculations on ECB data.

(1) All of the subsidiaries and branches of foreign banks.

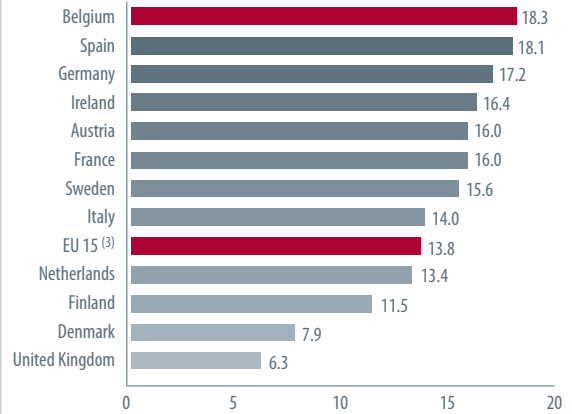
Selected social-economic aspects

**Chart 11: Financing of the Belgian economy through credit granted by the banks (documentary cash credit amount outstanding, as a % of the total, end of September 2010)**



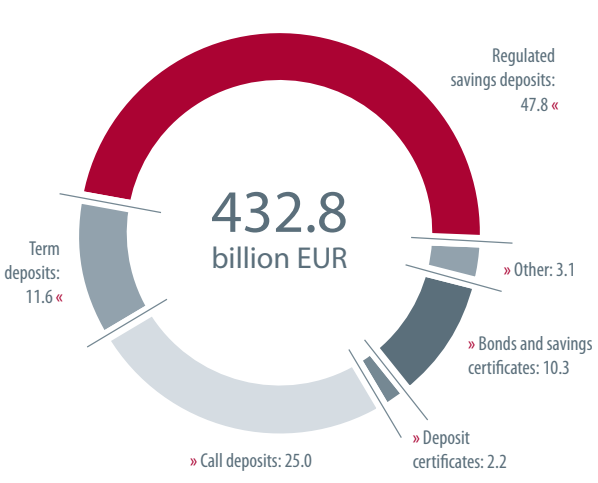
Source: Febelfin calculations on NBB data.

**Chart 13: Savings ratio of households<sup>(1)</sup> – European comparison (as a %, 2009)<sup>(2)</sup>**



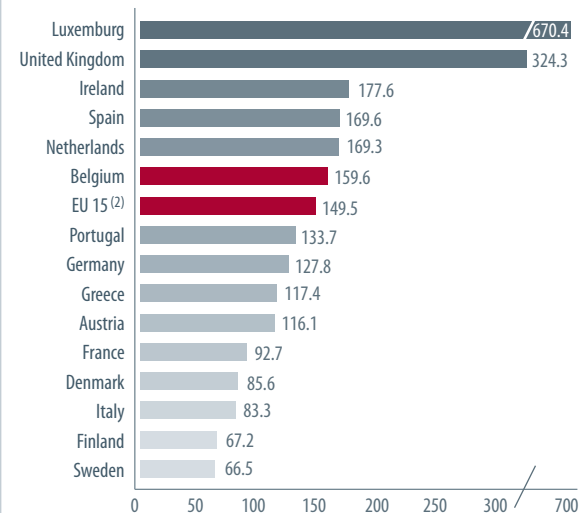
Source: Eurostat.  
 (1) Gross savings ratio of households, as a percentage of the available income.  
 (2) Greece, n.a.  
 (3) Non-weighted arithmetical mean for the 'former' 15 EU Member States, Greece, Luxemburg and Portugal not included.

**Chart 12: Resident customers' deposits in Belgium-based banks per category (amounts outstanding, as a % of the total, end of September 2010)**



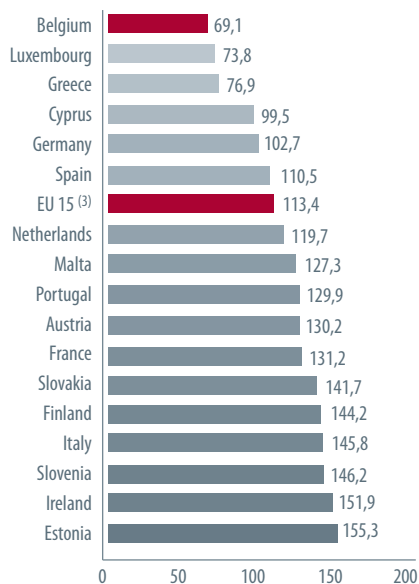
Source: Febelfin calculations on NBB data.

**Chart 14: Total bank deposits<sup>(1)</sup> as compared to the GDP European comparison (as a %, 2009)**



Source: Febelfin calculations on ECB data.  
 (1) I.e. the total volume of deposits held by the non-banking sectors with the credit institutions as a whole.  
 (2) Weighted average for the 'former' 15 EU Member States.

**Chart 15: Total bank deposits <sup>(1)</sup> as compared to total bank credit <sup>(2)</sup> (as a %, 2009)**



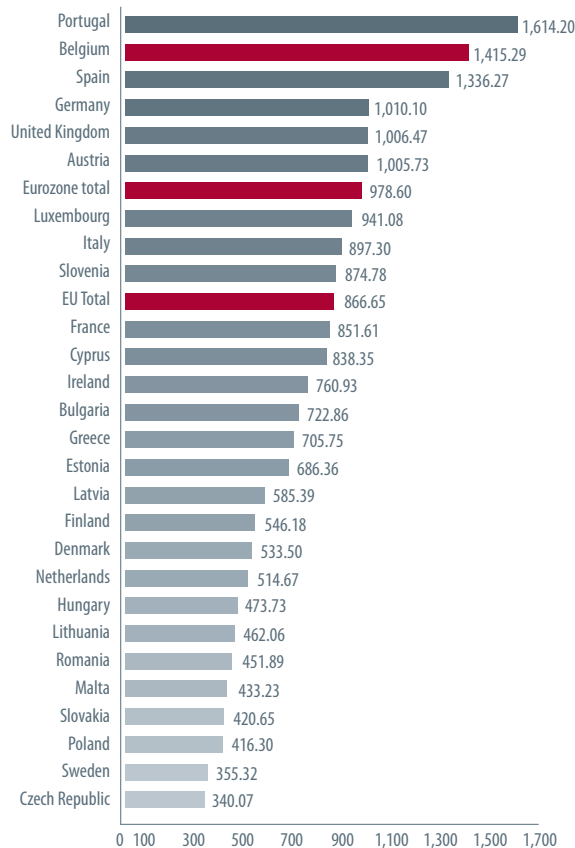
Source: Febelfin calculations on ECB data.

(1) I.e. the total volume of deposits held by the non-banking sectors with the credit institutions as a whole.

(2) I.e. the total volume of the banking sector's credit amount outstanding as granted to the non-banking sectors.

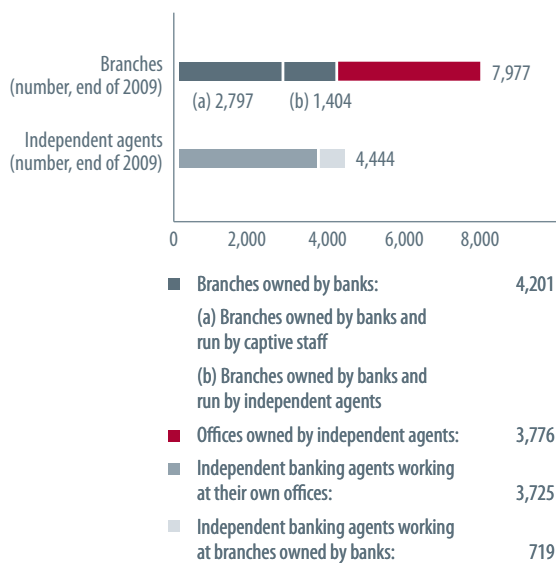
(3) Weighted average for the 'former' 15 EU Member States.

**Chart 17: Number of cash dispensers per million of inhabitants (2009)**



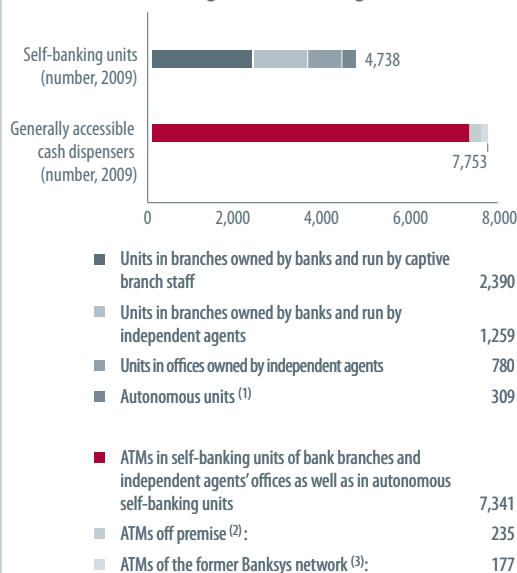
Source: Febelfin presentation on ECB data.

**Chart 16: Bank offices network: branches and independent agents**



Source: Febelfin/ABB-BVB (member banks only).

**Chart 18: Self-banking facilities in Belgium**



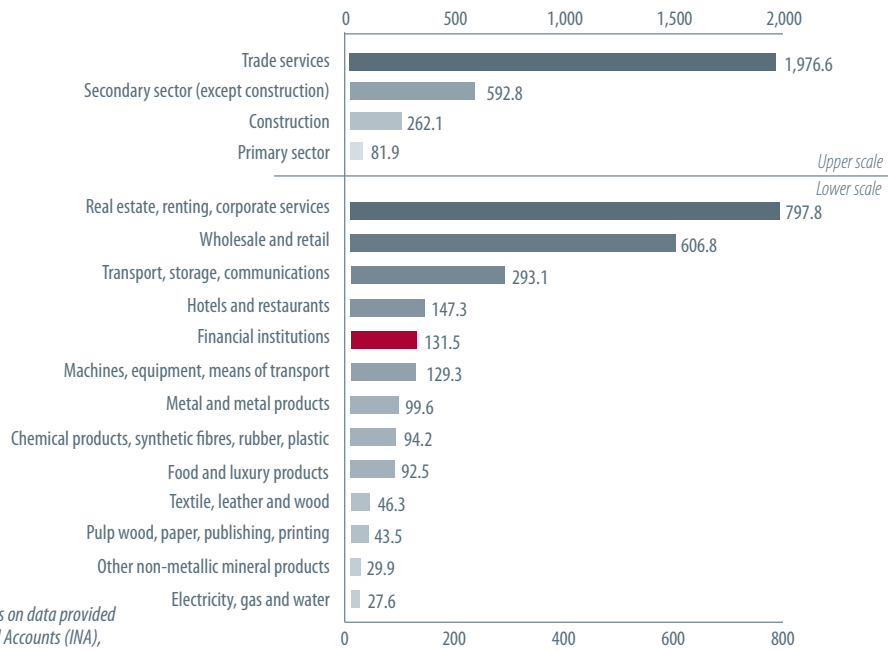
Source: Febelfin/ABB-BVB (member banks only).

(1) Self-banking units outside branches with staff.

(2) ATMs not installed in a bank office or self-banking unit and which are no part of the former Banksys network.

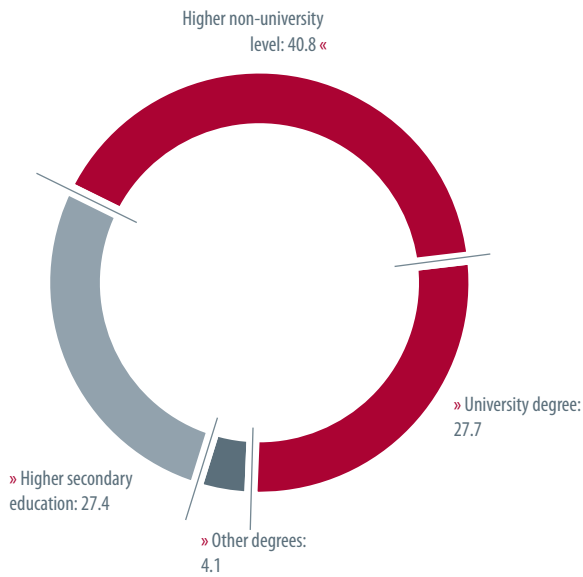
(3) These ATMs were transferred to the banks mid 2005.

**Chart 19: Employment – Sector comparison (number of employees, x 1,000, 2009)**



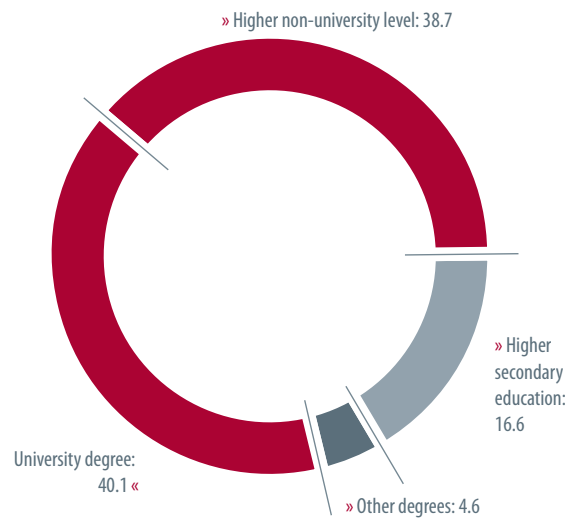
Source: Febelfin calculations on data provided by the Institute for National Accounts (INA), national accounts, detailed accounts and charts for 1998-2009.

**Chart 20: Breakdown of bank employees according to degree (as a % of the total number, end of 2009)**



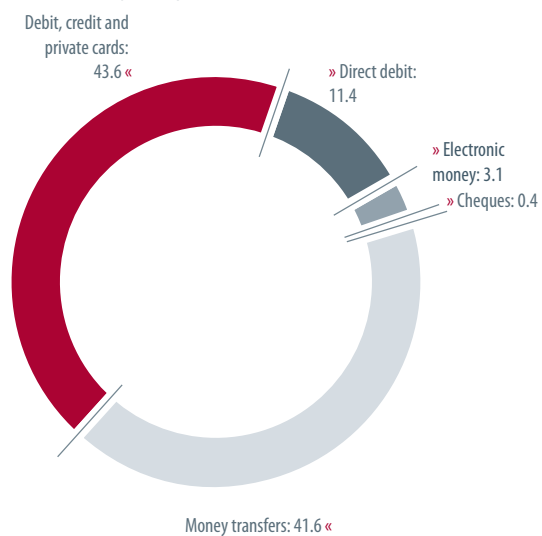
Source: Febelfin (member banks only).

**Chart 21: Breakdown of newly engaged bank employees according to degree (as a % of the total number, new employees engaged throughout 2009)**



Source: Febelfin (member banks only).

Chart 22: Estimated use of payment instruments <sup>(1)</sup> in Belgium (as a % of the total, 2009)

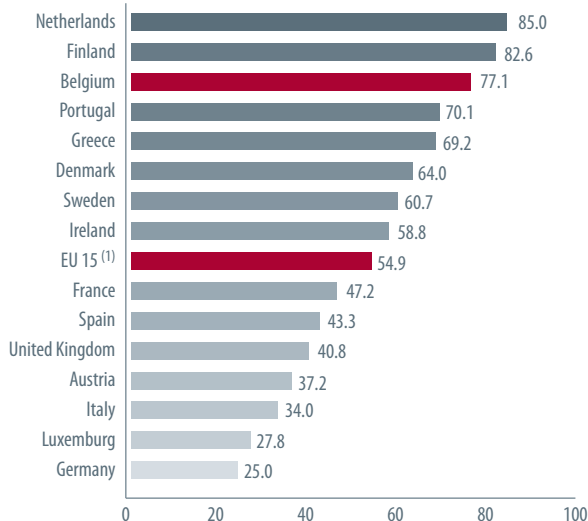


Source: Febelfin calculations on ECB data.

(1) All categories of users (private persons, companies). Some means (cash, commercial paper, ATM withdrawal) have been left out.

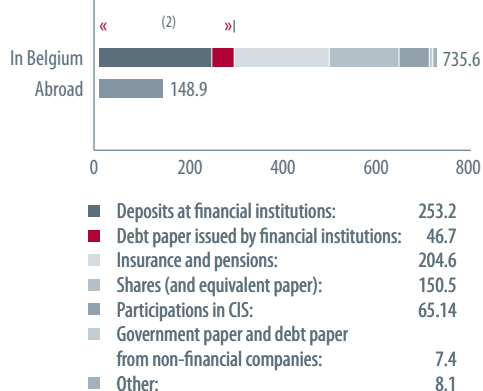
### Main developments and trends

**Chart 23: Share taken up by the 5 leading banks in the total assets of all banks (as a %, 2009)**



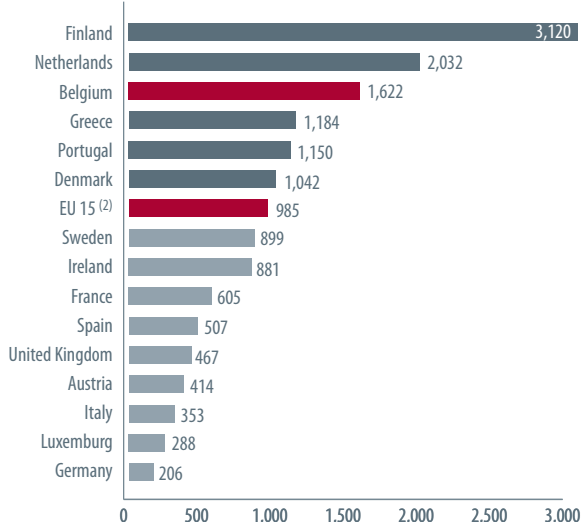
Source: Febelfin presentation on ECB data.  
 (1) I.e. the 'former' 15 EU Member States. Non-weighted arithmetical mean.

**Chart 25: Gross financial assets of the Belgian households (1) (in billion EUR, end of June 2010)**



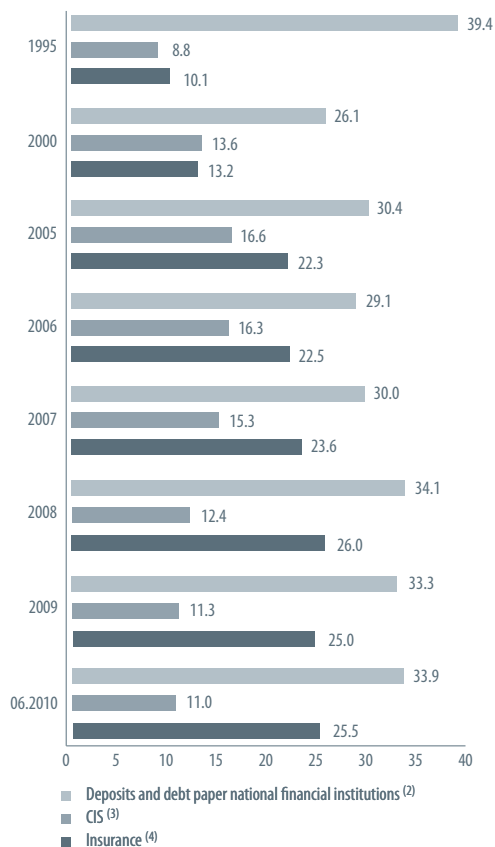
Source: Febelfin calculations on NBB data.  
 (1) Notes and coins not included.  
 (2) Total financial assets held by households with Belgian financial institutions, in the form of deposits held with and securities issued by these institutions.

**Chart 24: Herfindahl index on the basis of total assets (1) (2009)**



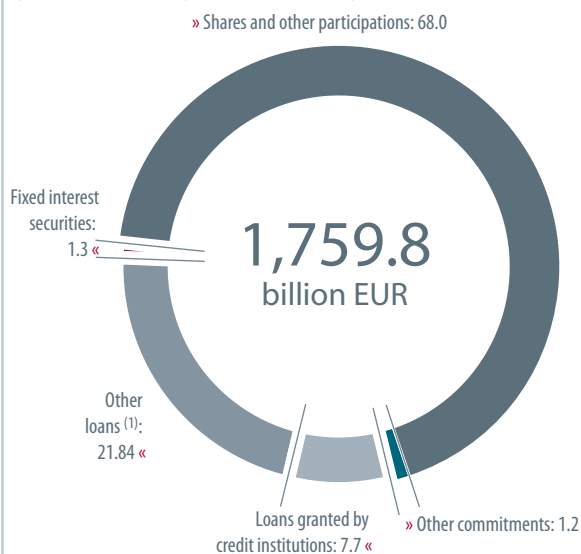
Source: Febelfin presentation on ECB data.  
 (1) Sum of the squares of the market shares of all individual credit institutions as for total assets.  
 (2) I.e. the 'former' 15 EU Member States. Non-weighted arithmetical mean.

**Chart 26: Share in the Belgian households' gross financial assets as represented by deposits at national financial institutions (including debt paper), participations in CIS and insurance assets (as a % of the total financial assets <sup>(1)</sup>, end of 1995, 2000, 2005, 2006, 2007, 2008, 2009 and June 2010)**



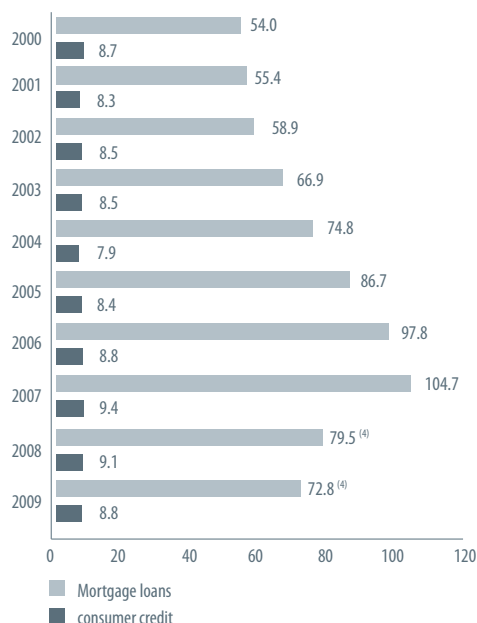
Source: Febelfin calculations on NBB data.  
 (1) Notes and coins not included.  
 (2) The whole of deposits at the national financial institutions on the one hand and of securities at the other hand, except for shares issued by these institutions and held by Belgian households.  
 (3) Participations in CIS.  
 (4) Provisions with a technical insurance character (mainly pension and life insurance provisions).

**Chart 27: Financial debt of the Belgian non-financial companies (as a % of the total, end of June 2010)**



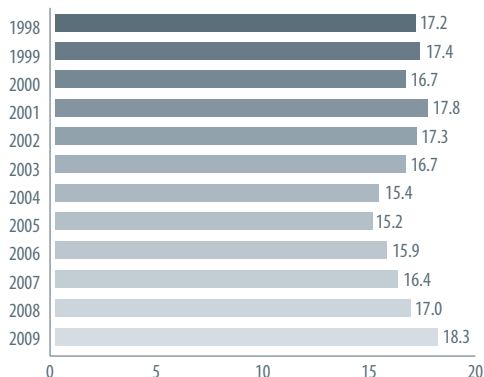
Source: Febelfin calculations on NBB data.  
 (1) Mainly loans granted by other non-financial companies (including within existing group structures).

**Chart 28: Mortgage loans and consumer credit <sup>(1)</sup> granted to Belgian households <sup>(2)</sup> by banks established in Belgium (accounts outstanding <sup>(3)</sup>, in billion EUR, end of period)**



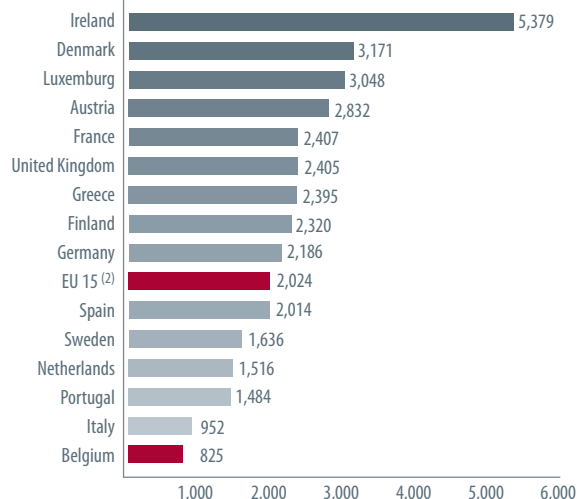
Source: Febelfin calculations on NBB data.  
 (1) Non-mortgage backed instalment credit.  
 (2) Private persons and self-employed taken together.  
 (3) Securitized volume not included.  
 (4) The decrease of the amount outstanding is due, to a large extent, to securitisation transactions carried out by a number of banks.

**Chart 29: Belgian households' savings ratio <sup>(1)</sup> (as a %)**



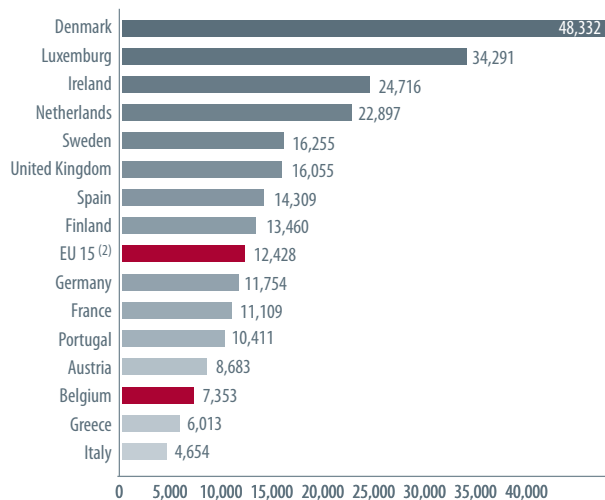
Source: Eurostat.  
 (1) Gross savings ratio of households, as a percentage of disposable income.

**Chart 31: European comparison of consumer credit granted by banks <sup>(1)</sup> (credit amount outstanding per capita, in EUR, end of 2009)**



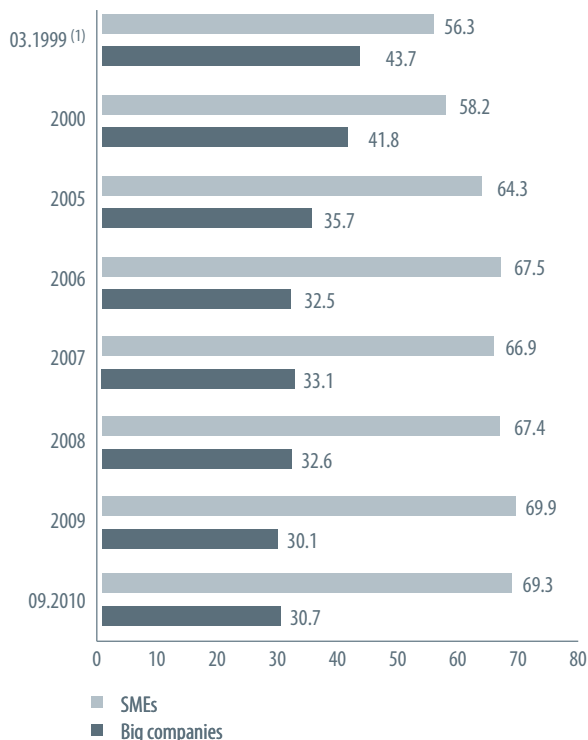
Source: Febelfin calculations on ECB data.  
 (1) According to the ECB: 'Total loans of credit institutions for consumer credit'.  
 (2) Weighted average for the 'former' 15 EU Member States.

**Chart 30: European comparison of home loans granted by banks <sup>(1)</sup> (amount outstanding per capita, in EUR, end of 2009)**



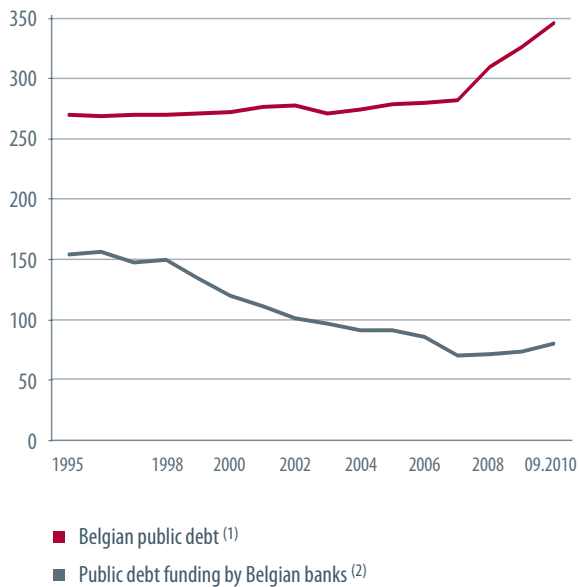
Source: Febelfin calculations on ECB data.  
 (1) According to the ECB: 'Total loans of credit institutions for housing purchase'.  
 (2) Weighted average for the 'former' 15 EU Member States.

**Chart 32: Lending from Belgium-based banks to Belgian non-financial companies, according to company size (as a % of the total of bank loans outstanding and granted; end of March 1999, 2000, 2005, 2006, 2007, 2008, 2009 and end of September 2010)**



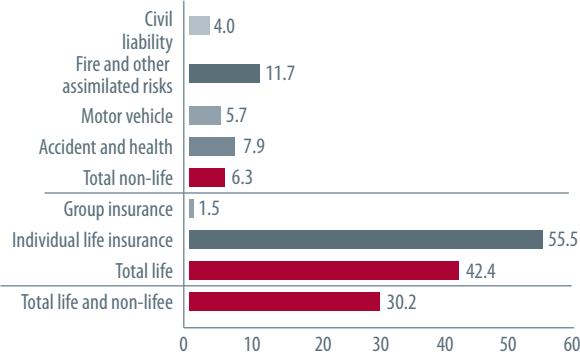
Source: Febelfin calculations on data provided by the Observatoire du crédit aux sociétés at the NBB.  
 (1) Time at which these data were provided for the first time.

**Chart 33: Share taken up by banks in the Belgian public debt financing (amounts outstanding, end of period, in billion EUR)**



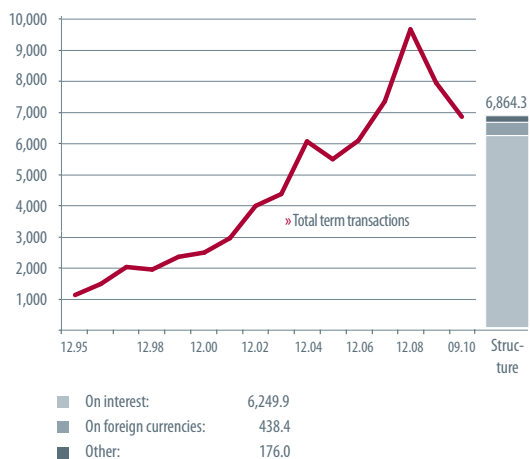
Source: Febelfin calculations on NBB data.  
 (1) Consolidated gross debt ('Maastricht' definition).  
 (2) Represented by debt instruments as well as direct lending.

**Chart 35: Share taken up by bancassurance in the distribution of insurance products on the Belgian market Share in various insurance segments (1) (2008, as a %)**



Source: Febelfin presentation on Assuralia data.  
 (1) Full list.

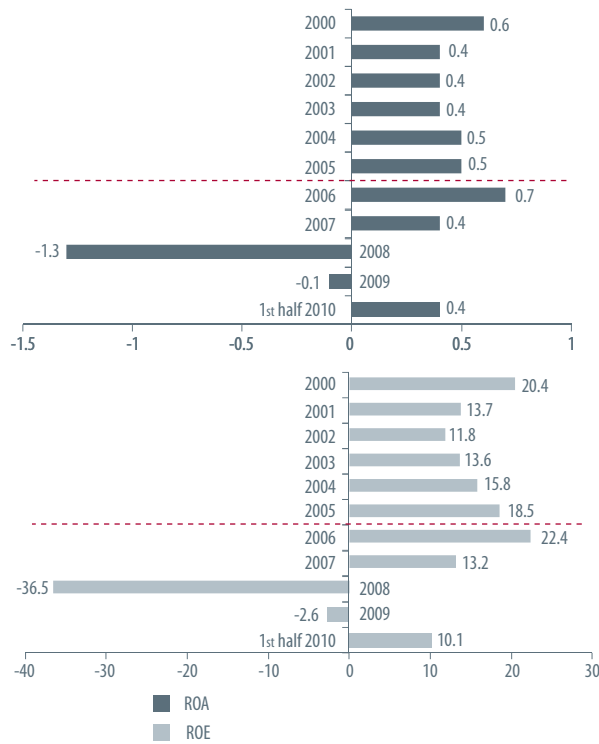
**Chart 34: Evolution and structure of term transactions of the Belgian banking sector (amounts outstanding, end of period, in billion EUR)**



Source: Febelfin calculations on NBB data.

## Results of the banking sector

**Chart 36: Evolution of the ROA and the ROE for all of the Belgium-based banks (as a %) <sup>(1)</sup>**

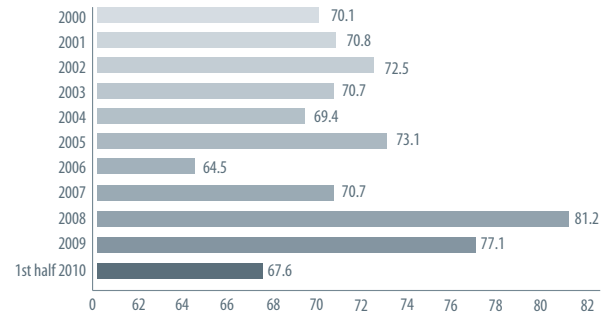


Source: Febelfin presentation on NBB data.

(1) Data on a consolidated basis. As for 2006, 2007 and 2008, data according to the IAS/IFRS reporting rules (the dotted line between 2005 and 2006 shows this change of method).

ROA: return on (average) assets; ROE: return on (average) equity (banks under Belgian law only).

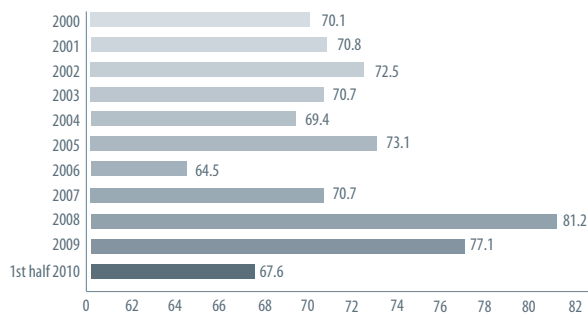
**Chart 38: Evolution of the banks' cost/income ratio (as a %) <sup>(1)</sup>**



Source: Febelfin calculations on NBB data.

(1) Banks under Belgian law taken as a whole, data on a corporate basis.

**Chart 37: Evolution of the risk assets ratio for all of the banks under Belgian law (as a %) <sup>(1)</sup>**

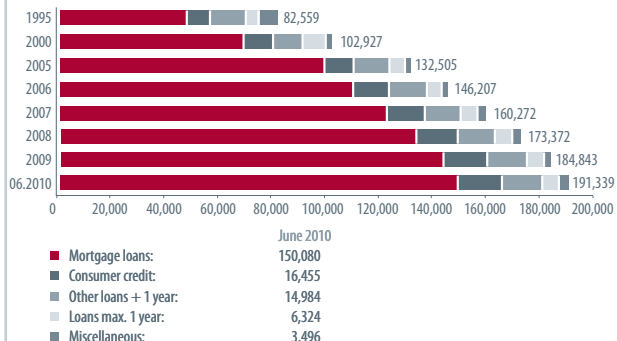


Source: Febelfin presentation on BNB data.

(1) Risk assets ratio (RAR): ratio between on the one hand the banks' own funds requirements and on the other hand their weighted risk volume also in accordance with the requirements.

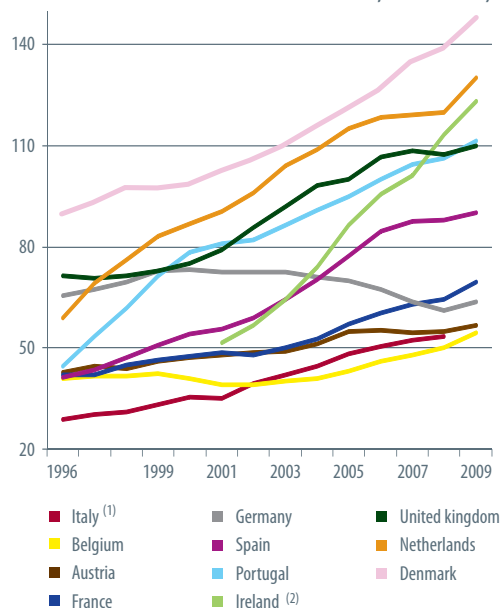
## Lending to households

**Chart 39: Financial commitments of the Belgian households (amounts outstanding, end of period, in million EUR)**



Source: Febelfin presentation on NBB data.

**Chart 41: Evolution of households' debt ratio (households' financial debt as a % of the GDP, 1996-2009)**

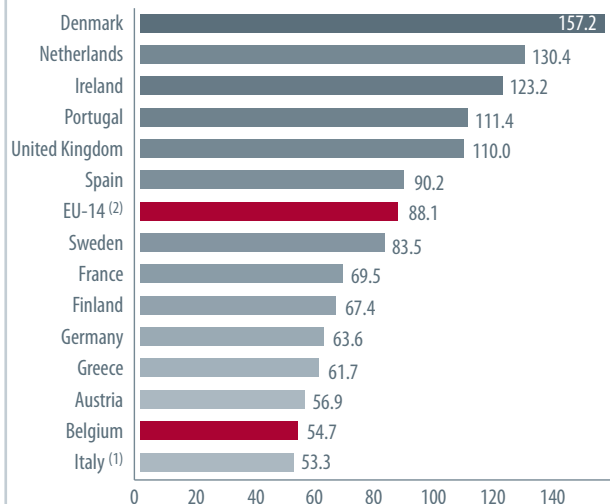


Source: Febelfin presentation on Eurostat data.

(1) As for Italy, data available for 2008.

(2) As for Ireland, data available from 2001 onwards.

**Chart 40: European comparison of households' debt ratio (households' financial debt as a % of the GDP, 2009)**

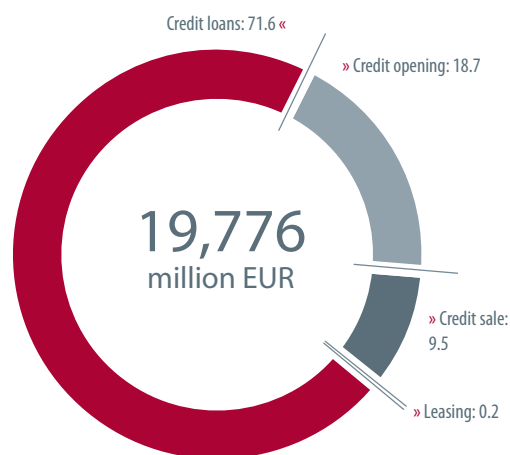


Source: Febelfin presentation and calculations on Eurostat data.

(1) Data for 2008 (latest data available).

(2) UE-14 : unweighted arithmetical mean of the 14 EU Member States included into the European comparison.

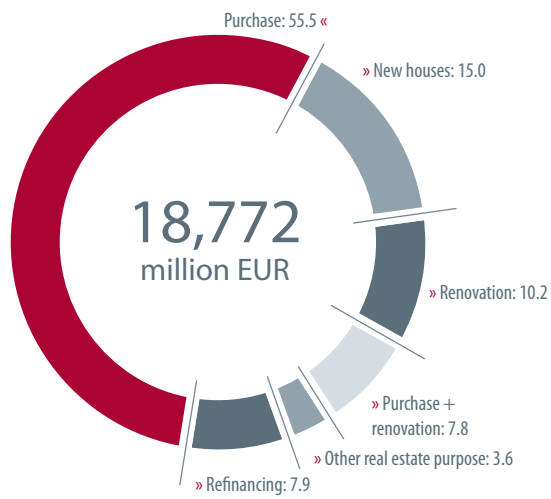
**Chart 42: Consumer credit according to type of credit (1) (as a % of the total amount outstanding, end of 2009)**



Source: Febelfin calculations on ADSEI (Algemene Directie Statistiek en Economische Informatie; FPS Economy, SME, Middle Classes and Energy).

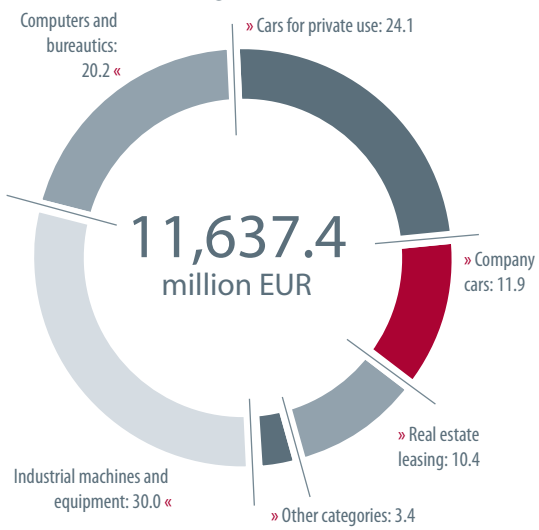
(1) Contracts to which the Law of June 12, 1991 on consumer credit applies (consumer credit for private persons only); contracts signed with all of the credit providers.

**Chart 43: Mortgage loans according to purpose**  
(credit granted during the first 3 quarters of 2010, as a % of the total credit amount granted)

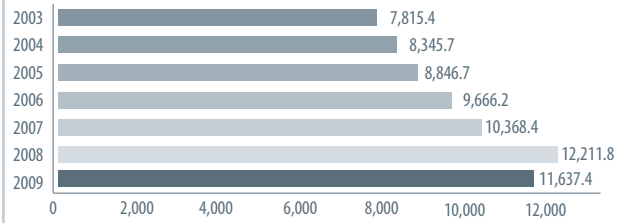


Source: Febelfin calculations on NBB data.

## Leasing-financing

**Chart 44: Components of the leasing production (2009, as a % of the total figure) <sup>(1)</sup>**

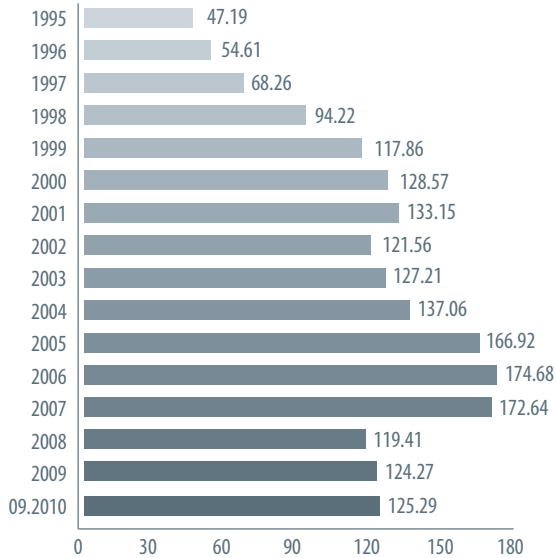
Source: BLA (Febelfin).  
 (1) BLA members only.

**Chart 45: Lease financing amount outstanding – Evolution through time <sup>(1)</sup> (end of year, in million EUR)**

Source: BLA (Febelfin).  
 (1) BLA members only.

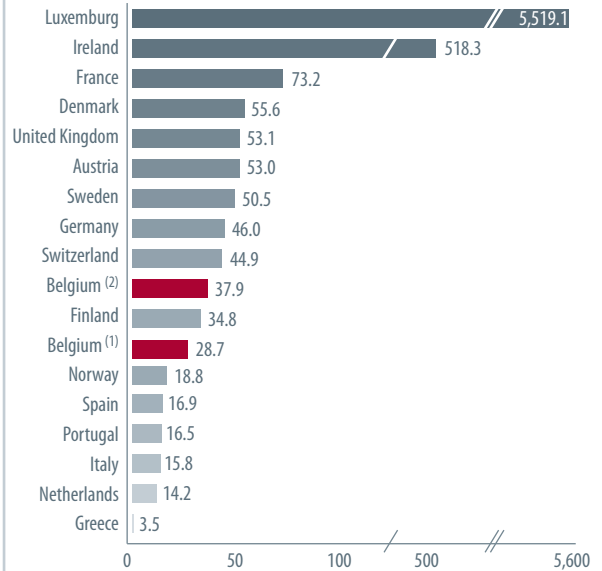
## Undertakings for collective investment (UCIs)

**Chart 46: Net assets of Belgian public distribution UCIs under Belgian and foreign law (end of period, in billion EUR)**



Source: BEAMA (Febelfin).

**Chart 48: Net assets of UCIs under national law in comparison with the GDP (as a %, end of 2009)**

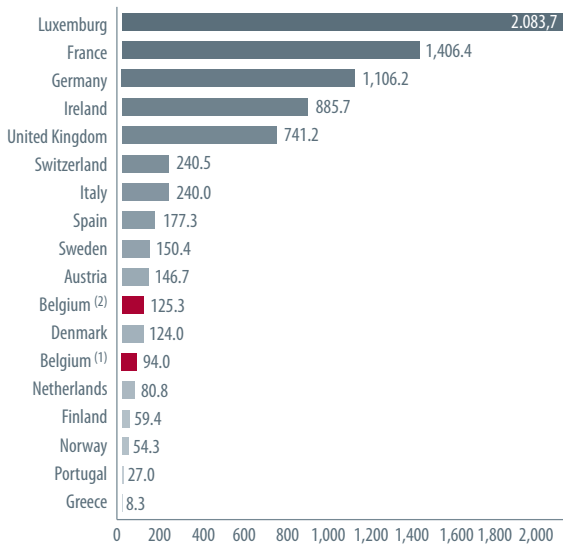


Source: Febelfin calculations on EFAMA (CIS), BEAMA and Eurostat (BBP) data.

(1) UCIs under Belgian law only.

(2) Belgian UCI market, i.e. net assets of Belgian public distribution UCIs under Belgian and foreign law.

**Chart 47: European sector of UCIs under national law – Total net assets (in billion EUR, end of September 2010)**



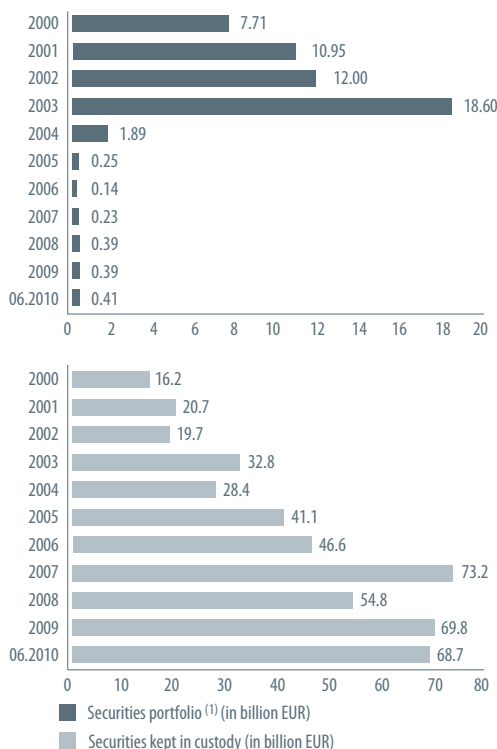
Source: Febelfin presentation on EFAMA data.

(1) UCIs under Belgian law.

(2) Belgian UCI market, i.e. net assets of Belgian public distribution UCIs under Belgian and foreign law.

## Investment companies

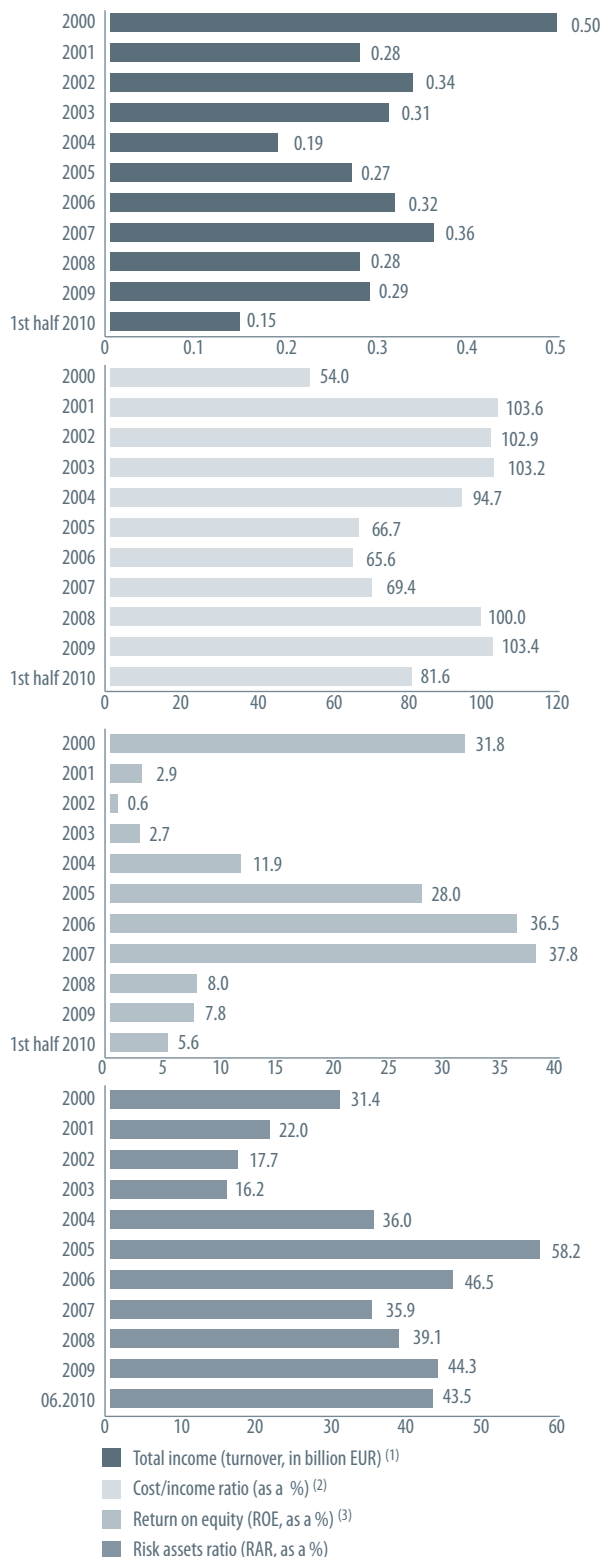
**Chart 49: Some activity indicators for the stockbroking firms taken as a whole**



Source: Febelfin presentation on BNB/CBFA data.

(1) The securities portfolio consists of the long positions (financial instruments kept by stockbroking firms for their own account, except participating interests) and the short positions (financial instruments sold uncovered). Positions are marked to market.

**Chart 50: Some result indicators for the stockbroking firms taken as a whole**



Source: Febelfin presentation on BNB/CBFA data.

(1) Total fee and commission income as well as trading for own account.

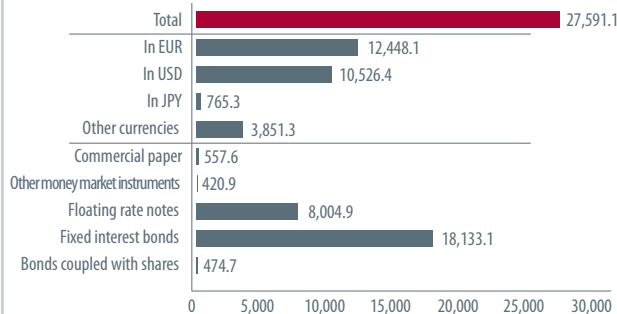
(2) Operating costs vs. total income.

(3) Result after taxation.

## The financial markets: currencies, shares, debt securities and derivatives

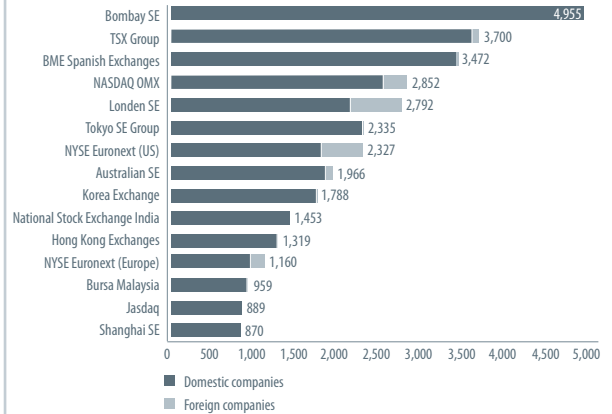
### The financial markets at the global and European level

**Chart 51: International debt paper<sup>(1)</sup>**  
(amounts outstanding, in billion USD, September 2010)



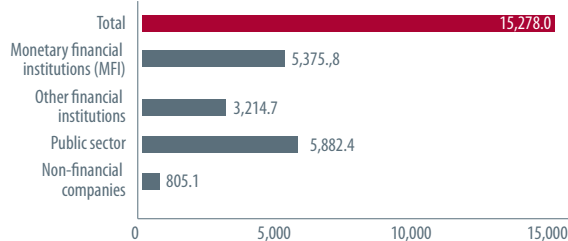
Source: Febelfin presentation and calculations on Bank for International Settlements (BIS) data.  
(1) Debt paper consisting of foreign currency securities issued by non-residents on various national markets and of national currency securities issued by residents on various national markets yet destined for non-resident investors.

**Chart 54: Number of share market listed companies**  
(selection of Stock Exchanges, 2009)



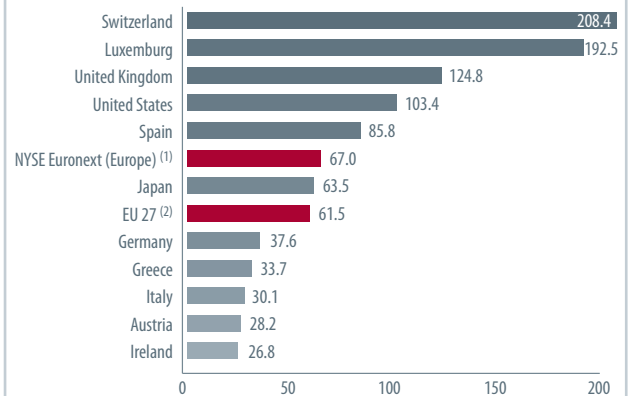
Source: Febelfin presentation on World Federation of Exchanges data.

**Chart 52: Debt paper issued by eurozone residents**  
(amounts outstanding, in billion EUR, end of 2009)



Source: Febelfin presentation on Eurostat data.

**Chart 55: International comparison of the relative importance of share markets**  
(market capitalisation as compared to the GDP, as a %, 2009)

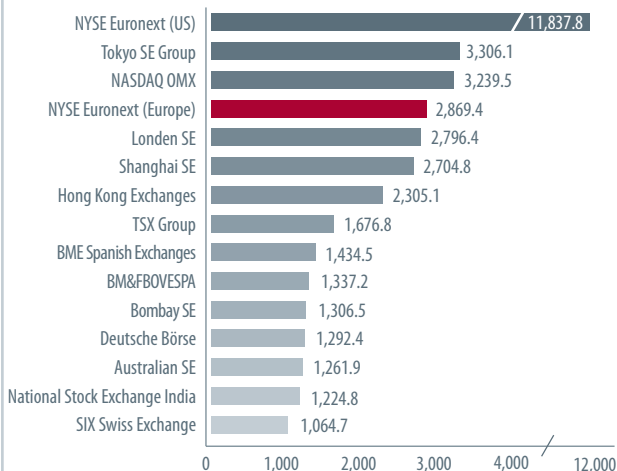


Source: Febelfin presentation on Eurostat data.

(1) Countries that are part of NYSE Euronext (Europe), i.e. Belgium, France, the Netherlands, Portugal.

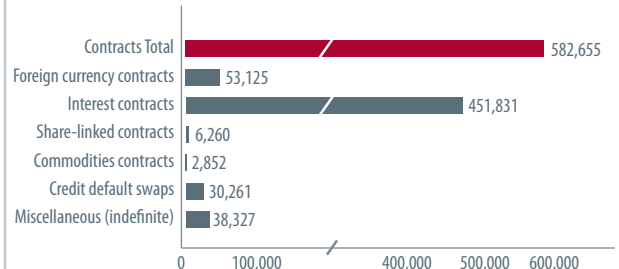
(2) Weighted average of the current 27 EU Member States.

**Chart 53: World Top 10 of the leading share markets according to market capitalisation**  
(in billion USD, end of 2009)



Source: Febelfin presentation on World Federation of Exchanges data.

**Chart 56: Global derivatives markets<sup>(1)</sup>**  
(notional amounts outstanding, in billion USD, end of June 2010)

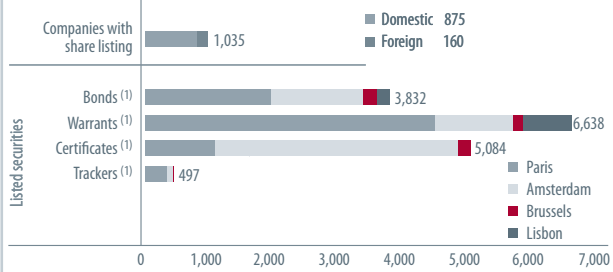


Source: Febelfin presentation on Bank for International Settlements (BIS) data.

(1) Over-the-counter (OTC) derivatives.

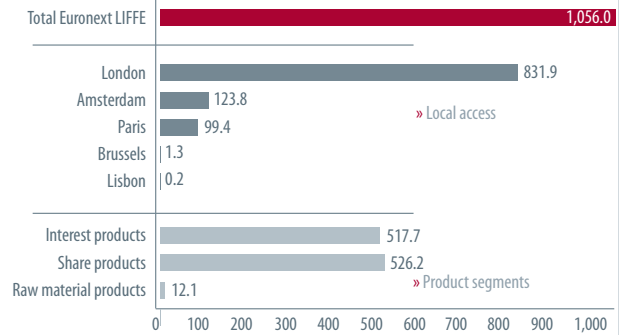
**(NYSE) Euronext, home of the Belgian Stock Exchange**

**Chart 57: Number of Euronext quotations: companies and securities (end of 2009)**



Source: Febelfin presentation on NYSE Euronext data.  
 (1) Data for Brussels: 203 (bonds); 157 (warrants); 199 (certificates); 1 (trackers).

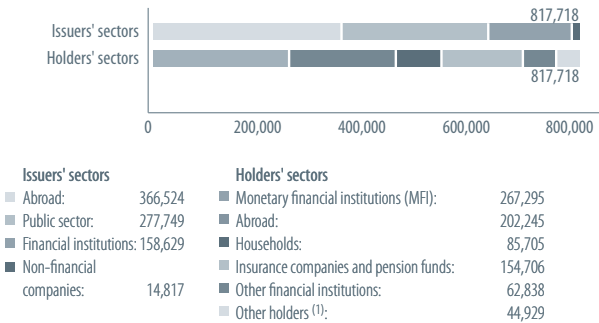
**Chart 58: Number of transactions (1) traded on the Euronext derivatives market (in million, in 2009)**



Source: Febelfin presentation on NYSE Euronext data.  
 (1) Numbers after they have been 'rebased'.

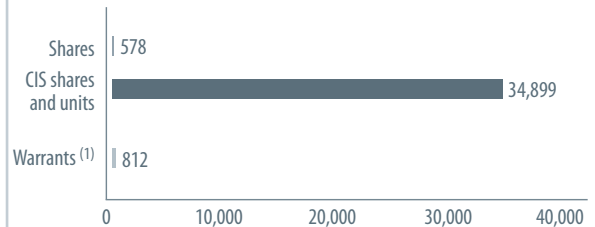
### Selected additional aspects of Belgium's money and capital markets

**Chart 59: Fixed interest securities with a maturity of more than 1 year, according to sectors of issuers and holders (amounts outstanding, in million EUR, end of June 2010)**



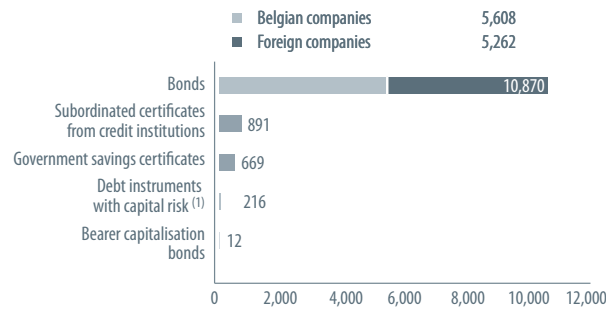
Source: Febelfin presentation on NBB data.  
 (1) Non-financial companies on the one hand (15,627 million EUR) and the Belgian public authorities on the other hand (15,768 million EUR).

**Chart 62: Share of the Belgian primary share market taken up by the public sector (in million EUR, 2009)**



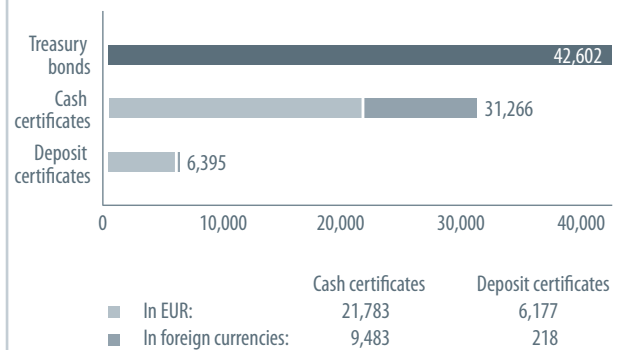
Source: Febelfin presentation on CBFA data.  
 (1) Admission of warrants. The Stock Exchange quotation does not imply that the amounts have been placed at the rate which prevailed during that particular period.

**Chart 60: Share of the Belgian primary market of + 1 year fixed interest securities taken up by the public sector (in million EUR, 2009)**



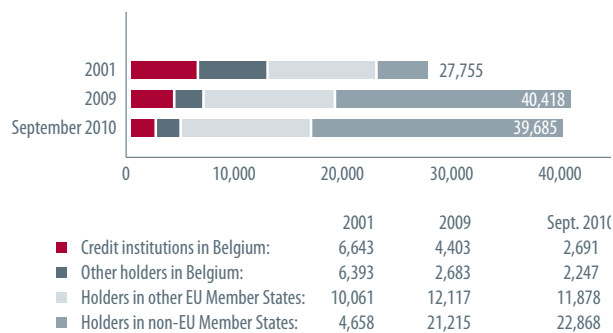
Source: Febelfin presentation on CBFA data.  
 (1) Mainly issues by foreign undertakings (209 million EUR).

**Chart 63: Dematerialised securities on the Belgian money market (amounts outstanding, in million EUR, end of 2008)**



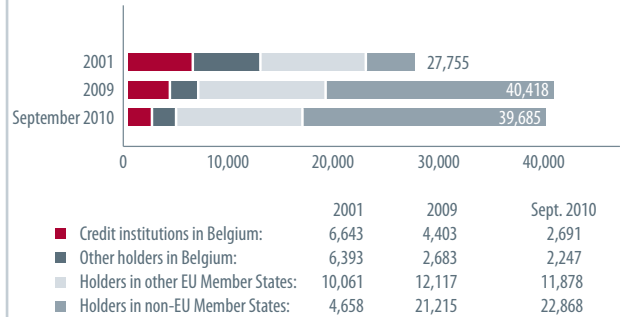
Source: Febelfin presentation on NBB data.

**Chart 61: Holders of linear bonds (OLO) (in million EUR, end of 2001 and end of September 2010)**



Source: Febelfin presentation on NBB data.  
 (1) Provisional data.

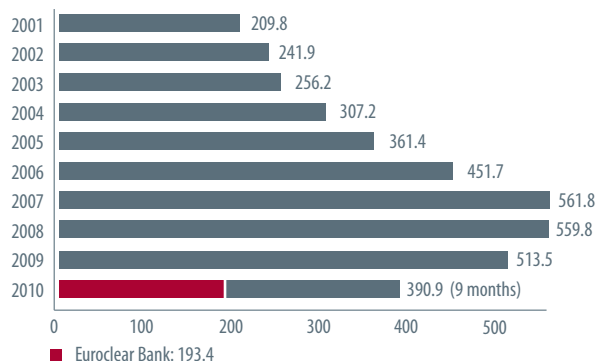
**Chart 64: Holders of dematerialised Treasury bonds (in million EUR, end of 2001 and end of September 2010)**



Source: Febelfin presentation on NBB data.

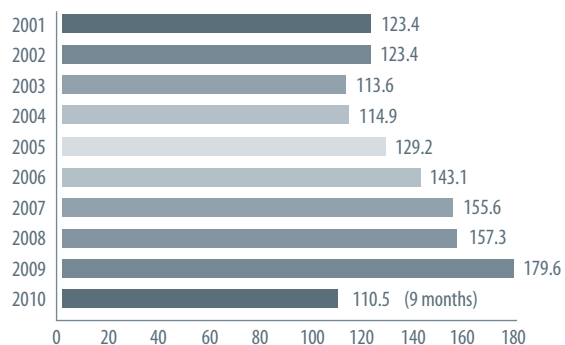
## Clearing and settlement

**Chart 65: Evolution turnover Euroclear**  
(period figures, x 1,000 billion EUR)



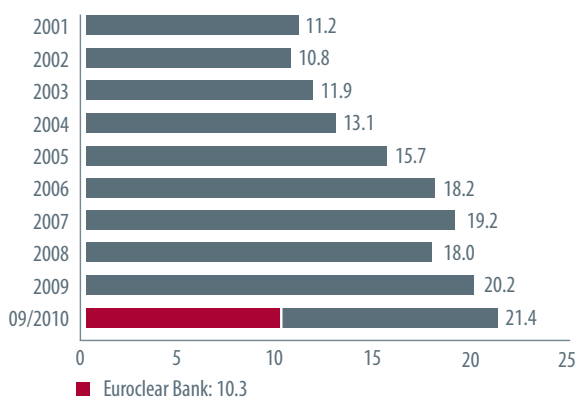
Source: Febelfin presentation on Euroclear data.

**Chart 66: Euroclear number of transactions after netting**  
(in million, period figures)



Source: Febelfin presentation on Euroclear data.

**Chart 67: Value of securities kept in custody by Euroclear**  
(x 1,000 billion EUR, end of period)



Source: Febelfin presentation on Euroclear data.