

BNP PARIBAS FORTIS 2021 FIRST HALF RESULTS

DYNAMIC BUSINESS ACTIVITY IN A CONTEXT OF REBOUND OF THE ECONOMY

CUSTOMER LOANS¹ AT EUR 216 BILLION, +3.2%* vs. 30.06.2020

CUSTOMER DEPOSITS² AT EUR 198 BILLION, +6.5%* vs. 30.06.2020

STRONG SUPPORT FOR THE BELGIAN ECONOMY

EUR 131 BILLION OF CREDITS³

REVENUES: EUR 4,149 MILLION, +6.7%* vs. 1H 2020

HIGHER REVENUES IN BELGIUM DESPITE THE IMPACT OF LOW INTEREST RATES
EXCELLENT PERFORMANCE OF OTHER DOMESTIC MARKETS AND PERSONAL FINANCE

COSTS: EUR 2,439 MILLION, +3.3%* vs. 1H 2020

STRICT COST MANAGEMENT WITH A COST REDUCTION IN BELGIUM
CONTAINED COST INCREASE IN THE OTHER BUSINESS LINES

GROSS OPERATING INCOME: EUR 1,710 MILLION, +12.1%* vs. 1H 2020

POSITIVE JAWS EFFECT

COST OF RISK: EUR 227 MILLION, -13bp vs. 1H 2020

COST OF RISK ON AVERAGE OUTSTANDING CUSTOMER LOANS AT 21bp

PRE-TAX INCOME: EUR 1,664 MILLION, +26.1%* vs. 1H 2020

NET INCOME: EUR 1,143 MILLION, +38.1%* vs. 1H 2020

VERY SOLID FINANCIAL STRUCTURE

COMMON EQUITY TIER 1 RATIO OF 17.7%

LIQUIDITY COVERAGE RATIO OF 199%⁴

* Excluding non-recurrent items, i.e. at constant scope, constant exchange rates and excluding other one-off results.

¹ Loans and receivables due from customers excl. securities and reverse repos and incl. Arval's rental fleet.

² Amounts due to customers excl. repurchase agreements ('repos').

³ Including Belgian subsidiaries.

⁴ On a non-consolidated basis.

Analysis of the 1H 2021 financial performance

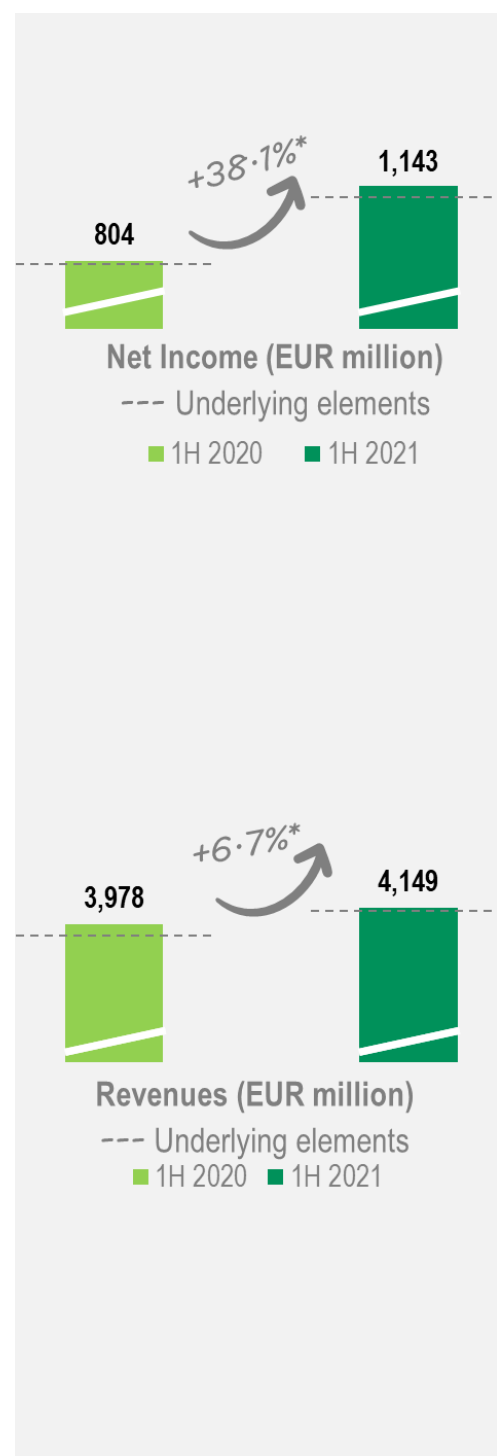
In the first half of 2021, consolidated net income attributable to equity holders amounted to EUR 1,143 million, up by +42.1% compared to 1H 2020. When excluding non-recurrent items (related mainly to, the depreciation of the Turkish lira, scope changes and a one-off result at BNPP-AM in 1H 2021), the underlying evolution showed an increase of +38.1%*.

The below analysis focuses on this underlying evolution.

Strong results with a positive evolution in Belgium and a high performance of Other Domestic Markets

Revenues amounted to EUR 4,149 million, up 6.7%* vs. 1H 2020.

- In Belgium¹, revenues increased by 5.7%*, despite the impact of the low interest rate environment, thanks to Belgian Retail Banking activities, mainly driven by the growth of customer loans and an increase in fee income, and thanks to Corporate and Institutional Banking, mainly driven by the lending activities.
- In other business lines, revenues increased by 2.8%*, essentially driven by the continued development of activities in Other Domestic Markets (Arval and Leasing Solutions) and at Personal Finance (Alpha Crédit), with a very strong rebound in production, combined with a continued rise of prices of used-cars for Arval. In Turkey, the decrease of revenues is mainly due to the lower commercial margins, only partly offset by the growth of customer loans and the higher commission income.



* Excluding non-recurrent items, i.e. at constant scope, constant exchange rates, and excluding other one-off results.

¹ Belgium includes Belgian Retail Banking, Corporate and Institutional Banking and other activities of BNP Paribas Fortis in Belgium.



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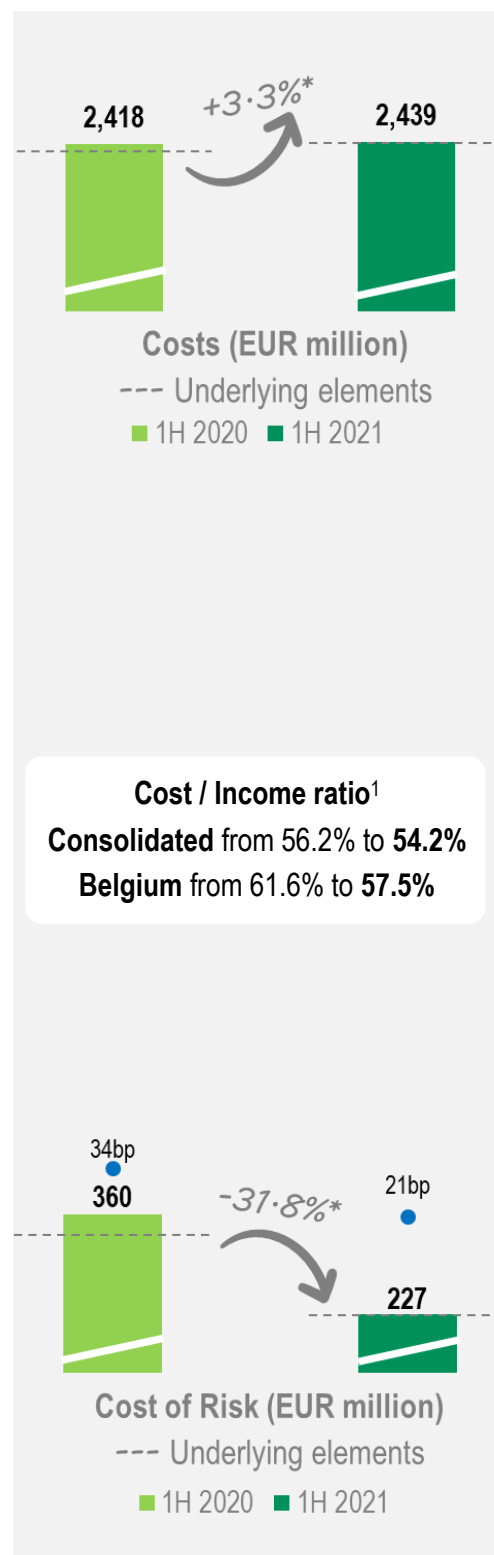
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Costs amounted to EUR 2,439 million, increasing by 3.3%* vs. 1H 2020.

- In Belgium, costs decreased by -0.7%*, reflecting the impact of the measures taken to continue improving the efficiency, with among others the ongoing industrialisation of our operational processes, the further branch network adaptation and a reduction in headcount, partly offset by the inflation and higher banking taxes. There was a positive jaws effect in Belgium.
- In other business lines, even with the strong growth of activities in Other Domestic Markets and Personal Finance, the cost increase was limited to +3.4%. The costs increased in Luxembourg, mainly driven by higher banking taxes and in Turkey, mainly driven by the impact of a higher inflation. There was a positive jaws effect in Other Domestic Markets and at Personal Finance.

Gross operating income increased by 12.1%* to EUR 1,710 million. The consolidated cost / income ratio¹ improved at 54.2% compared to 56.2% in 1H 2020. In Belgium, the ratio was at 57.5% compared to 61.6% in 1H 2020.

Cost of risk amounted to EUR 227 million, decreasing by -13 basis points (bp) compared to the same period in 2020, driven by lower provisions on non-performing loans (stage 3) with overall no release of provisions on performing loans (stages 1 & 2). Cost of risk at 21bp, back to a normalised level.



* Excluding non-recurrent items, i.e. at constant scope, constant exchange rates, and excluding other one-off results.

¹ The cost income ratio is calculated by dividing the total operating expenses and depreciation (absolute value) by the total revenues (the net banking income), without excluding the non-recurrent items. Cost income ratio is linearized for banking taxes.



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- In Belgium, the cost of risk was lower (16 basis points compared to 24 basis points over the same period in 2020), with a decrease explained by less provisions on non-performing loans, impacted by one specific file in 2020.
- In other business lines, the cost of risk decreased in all business lines, also driven by lower provisions on non-performing loans.

The share of earnings of equity-method entities was up by 43.8%*, at EUR 174 million, mainly thanks to the higher contributions from BNP Paribas Asset Management and AG Insurance, positively impacted by the favourable evolution of the financial markets during the first half year 2021.

The net income attributable to equity holders of EUR 1,143 million increased by +38.1%* compared to 1H 2020 and by +16.8%* compared to 1H 2019.

Very solid financial structure

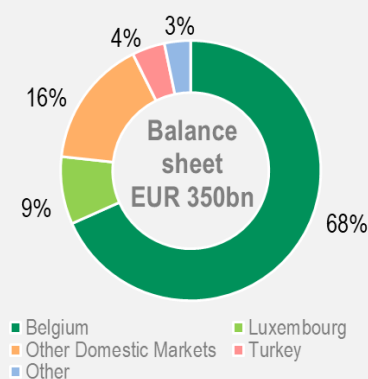
The consolidated balance sheet totalled EUR 350 billion as at 30 June 2021, an increase of EUR 15 billion or 5% compared to the end of 2020.

The consolidated Common Equity Tier 1 ratio stood at 17.7% (compared to 15.9% as of 31 December 2020), well above the regulatory threshold.

The non-consolidated Liquidity Coverage Ratio stood at 199% (compared to 191% as of 31 December 2020), well above the regulatory threshold of 100%.

Both ratios reflect the very strong financial structure of the bank.

The Board of Directors intends to propose at the General Shareholder's Meeting in the fourth quarter 2021 the distribution of an intermediary dividend of EUR 0.84 per share, which will be paid from the reserve.



* Excluding non-recurrent items, i.e. at constant scope, constant exchange rates, and excluding other one-off results.



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CONSOLIDATED PROFIT AND LOSS ACCOUNT

	1H 2021	1H 2020	Total variance**		Non-recurrent items*		Variance excl. non-recurrent items**	
			Δ EUR	Δ %	2021	2020	Δ EUR	Δ %
<i>in EUR million</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
Net banking income	4,149	3,978	172	4.3%	34	122	259	6.7%
Operating expenses and Depreciation	(2,439)	(2,418)	(21)	0.9%	(8)	(65)	(77)	3.3%
Gross operating income	1,710	1,560	151	9.7%	25	57	182	12.1%
Cost of Risk	(227)	(360)	133	-36.9%	(0)	(27)	106	-31.8%
Operating income	1,483	1,200	284	23.6%	25	30	288	24.6%
Share of Earnings of Associates	174	105	69	65.5%	26	2	45	43.8%
Other Non-Operating Items	7	4	2	47.4%	7	5	-	n/a
Pre-tax income	1,664	1,309	355	27.1%	58	36	333	26.1%
Corporate income tax	(319)	(276)	(43)	15.6%	(4)	(9)	(47)	17.8%
Minority interests	(202)	(229)	27	-11.8%	(2)	(13)	16	-7.3%
Net income attributable to equity holders	1,143	804	339	42.1%	52	14	301	38.1%

* Non-recurrent items for the Profit and Loss account relate to the following elements:

- Adjustments for constant scope.
- Adjustments for constant exchange rates, mainly related to the Turkish lira depreciation.
- Other items, mainly related to the transformation costs and other one-off results, of which an exceptional result at BNPP Asset Management in 1H 2021.

Non-recurrent items for the Balance Sheet relate to the adjustments for constant exchange rates and constant scope.

** Variances are calculated as follows:

- $c = a - b$
- $d = c / b$
- $g = (a - e) - (b - f)$
- $h = g / (b - f)$



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BNP Paribas Fortis First Half 2021 Results

After the unprecedented Covid crisis during which we continued to assist our clients with financing, payment deferrals, flexible payment solutions and secure remote services, the recovery in our Belgian home market is now well underway. Vaccination has paved the way for an economic revival and a return to a more regular situation in people's everyday lives.

However, in our rapidly changing world, uncertainties and challenges remain. The catastrophic floods the country experienced this summer have made this abundantly clear.

In this context, our clients remain, as always, our number one priority. After helping households and entrepreneurs when economic activity came to a near standstill last year, we are moving our focus to realising their ambitions in a world in which the digital and sustainable approach is the new normal. More than ever, therefore, our #PositiveBanking approach is concentrating on services and solutions that make our clients' lives easier, help them grow, and support the advancement of a sustainable society.

Strong results

BNP Paribas Fortis posted strong results in the first half of 2021, despite the ongoing impact of low interest rates. Net income for the first half of the year came to EUR 1,143 million on a consolidated basis, up 38.1%* compared to 1H 2020. Lower interest income in the Belgian retail business was offset by higher commission income and efficiency gains. Corporate & Institutional Banking achieved excellent results. Arval, Leasing Solutions and Personal Finance also performed very well.

The cost of risk decreased by 31.8%* to 21 basis points, comparable to the situation before the crisis. The increase in our income and continued cost control boosted earnings, confirming that our income growth exceeds our expenses growth. Our solvency also remains strong with a CET1 ratio of 17.7%; the same applies to our sound liquidity with a liquidity coverage ratio of 199%. This very solid financial structure provides us with the capacity to further support the Belgian economic recovery.

We proceeded steadily with our financing of the Belgian economy. Loans in our Belgian Retail Bank increased by 0.6% to EUR 115 billion. Over the same period, deposits increased by 6.7% to EUR 145 billion.

Supporting the Belgian economy

Making life easier

Our clients expect to be able to bank anywhere and anytime. This is confirmed by the growth in our direct banking business: 2.4 million clients now use our digital channels (+5%) and overall there were 377 million digital interactions in total in 1H 2021 (+45%).

46% of debit card payments in shops were contactless (vs. 31% in 1H 2020), and in May, we started distributing 3.9 million Visa debit cards, an operation we will complete early next year.

* Excluding non-recurrent items, i.e. at constant scope, constant exchange rates and excluding other one-off results.



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With the creation of Axepta last year, we are the only Belgian bank that offers end-to-end acquiring solutions to merchants and SMEs. The acquisition of Ingenico's terminals and card payment processing business in May will further strengthen our position in cash management. 29,000 merchants now use Axepta at 37,500 points of sale in Belgium.

To make our clients' lives easier, we want to add value with initiatives that go 'beyond banking'. Bancassurance is one of the areas in which we aspire to offer a one-stop-shop solution: we can offer our personalised expertise and client knowledge in partnership with AG Insurance, and, for travel assistance plans, Touring. For entrepreneurs, we will launch in November an expert range featuring 20 new insurance products, covering 85% of their needs.

We are helping our retail and business clients, as well as colleagues, who have been affected by the floods. To make it easier for customers in need of extra care, we opened a dedicated hotline for any matter concerning the floods. More than 4,800 Top Home and car insurance files have been opened, and we offer capital repayment suspensions on home loans, as well as flexible credit and liquidity solutions. There is support for citizens through donations from staff plus 1 million euro from our sustainability-focused IRIS Private SRI fund.

Enabling people to grow

We are strongly committed to Private Equity as a way of boosting the development of promising companies in the local economy, both through mezzanine financing and by taking minority stakes. In the first half of 2021, we have made five investments in Belgian companies and one new fund commitment, most recently in co-packer and beverage producer Konings, which will allow it to achieve its expansion plans in a sustainable way. Our ambition is to double our Private Equity portfolio in order to reach EUR 1 billion by 2025.

We regrouped Cash Management, Trade Finance and Factoring in Transaction Banking to help corporate clients make the best use of their working capital. We are the number 1 working capital advisor in Europe, offering all possible cross-sector solutions.

In order to help our clients carry out their projects, we invest continuously in the development and well-being of our employees, and we continue to hire externally, with 131 new colleagues joining us in 1H 2021. Our bank also provided close to 14,000 person-days of training in 1H 2021.

Rooting sustainability in our DNA

Our clients appreciate the sustainable investment and lending opportunities we offer and in the first half of 2021 we achieved strong growth across all client segments, i.e. retail, private and corporate banking. Total SRI (Socially Responsible Investing) assets under management reached EUR 34.8 billion at the end of June 2021. In fact, more than half a million of our clients now have an SRI product in their investment portfolio.

We saw strong growth in new production in green renovation loans (1/3rd of the total during 1H 2021) and in mortgage loans for construction and renovation (40% of the total). We are also the first Belgian bank to collaborate with the independent foundation Energy Efficient Mortgage Label, which validates the ecological goal of the green home mortgages and renovation loans we offer.

In mobility, we support two major trends that are having a positive impact on the environment and society: the electrification of vehicles, and the 'modal shift' involving fewer trips by car and more



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by bicycle, train, scooter, etc. We are developing multimodal mobility software through Ghent-based scale-up company Optimile, in which we have invested an additional EUR 8 million this year alongside AG Insurance and Touring.

Meanwhile, we also want to ensure that our clients can make the best financial arrangements for their new mobility arrangements. Our Arval subsidiary has more than doubled its leasing business for electric and hybrid cars compared to 1H 2020, while e-bikes leasing has grown by 74%.

We are helping our corporate clients go green by offering innovative services such as green hedges, green interest-rate swaps and green loans. In order to increase our positive impact, we are not only offering financial solutions, but also relevant business advisory services in this domain to our clients. Companies wishing to develop and finance infrastructure for generating sustainable energy or to adapt their existing installations so as to improve efficiency can call on the expertise and support of our unique Sustainable Business Competence Centre.

We are also steadily adopting sustainable practices in our own operations. End of June 52% of new leased cars for staff were electric or hybrid, and more than 1,000 employees have chosen a company bike. At the end of this year, our new headquarters will be completed: 98% of the materials used in its construction are recycled, and it sets a new standard for low water and energy consumption.



CEO Max Jadot said: "The recent period has reminded us that our society can be upset by unpredictable and testing events. As a bank, we aim to rise to these challenges by playing our role in building a resilient and sustainable economy.

We have always been there for our clients and for the various communities that we serve. Our distribution channels have maintained maximum availability, accessibility and security, while our results show that we are a strong bank with the

products and know-how to deliver.

We will continue to stand alongside our retail and corporate clients and support them with best-in-class services in banking, insurance and 'beyond banking' solutions. We aim to further improve and expand the digital accessibility of all our services. At the same time, we are prioritising the development of solutions that will accelerate the transition to a greener economy, be it in the areas of housing, mobility, business finance or investment.

I would like to express my gratitude for the commitment of our employees in helping our clients achieve their plans. I also thank our clients for the trust they place in our services."



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Interim financial information included in this document is reviewed by the accredited statutory auditors in accordance with the International Standard on Review Engagements. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing. As a consequence, no audit opinion is expressed.

Please note that the results of BNP Paribas Fortis SA/NV announced in this press release are the consolidated results of BNP Paribas Fortis SA/NV and are not equivalent to the contribution of BNP Paribas Fortis to the consolidated results of BNP Paribas.

This document includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions and statements regarding plans, objectives and expectations with respect to future events, operations, products and services, as well as statements regarding future performance and synergies. Forward-looking statements are not a guarantee for future performance. They are subject to inherent risks, uncertainties and assumptions on investments, developments at BNP Paribas Fortis and its subsidiaries, banking industry trends, future capital expenditure and acquisitions, changes in economic conditions globally or in BNP Paribas Fortis' principal local markets, the competitive market and regulatory factors.

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BNP Paribas (www.bnpparibas.com) is the European Union's leading bank and key player in international banking. It operates in 68 countries and has more than 193,000 employees, including nearly 148,000 in Europe. The Group has key positions in its three main fields of activity: Retail Banking for the Group's retail-banking networks and several specialised businesses including BNP Paribas Personal Finance and Arval ; Investment & Protection Services for savings, investment and protection solutions ; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated retail-banking model across several Mediterranean countries, Turkey, Eastern Europe as well as via a large network in the western part of the United States. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.



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