



PRESS RELEASE

BNP PARIBAS FORTIS

FIRST HALF 2015 RESULTS

STRONG GROWTH IN LOANS AND DEPOSITS
GOOD OPERATING PERFORMANCE

CUSTOMER DEPOSITS¹ AT EUR 171 BILLION, +3.3%* vs. 30.06.2014
CUSTOMER LOANS¹ AT EUR 167 BILLION, +6.9%* vs. 30.06.2014
STRONG GROWTH IN LOANS AND DEPOSITS
REFLECTING THE BANK'S ROLE IN FINANCING THE ECONOMY

REVENUES: EUR 3,729 MILLION, +7.3%* vs. 1H 2014
GOOD PERFORMANCE IN BELGIUM
GROWTH IN TURKEY

OPERATING EXPENSES: EUR 2,364 MILLION, +3.3%* vs. 1H 2014
CONTINUOUS COSTS CONTROL EFFORTS
HIGHER BELGIAN BANKING TAXES AND LEVIES
FURTHER INVESTMENTS IN TURKEY BOLSTERING COMMERCIAL SET UP

NET INCOME: EUR 811 MILLION, +11%* vs. 1H 2014

A FULLY LOADED BASEL 3 COMMON EQUITY TIER 1 RATIO OF 12.0%

¹ Customer deposits consist of amounts due to customers excluding repurchase agreements ('repos'). Customer loans are loans and receivables due from customers, excluding securities and reverse repos.

* Excluding non-business-related items (see page 5 for more details).

Max Jadot, CEO of BNP Paribas Fortis SA/NV commented: *"BNP Paribas Fortis has achieved good results during the first half of 2015, against a background of slow economic growth.*

Net income, at 811 million euros, is up 11% on first-half 2014. We saw a 6.9%* rise in lending, especially mortgage lending. Meanwhile deposits increased by 3.3%*, with a notable rise in current account balances.*

We posted a good operating performance, with 7.3% growth in revenues and also strict cost control, so that we succeeded in considerably improving our business efficiency in spite of a further rise in banking levies. Meanwhile our solvency remains well above regulatory minima and we were able during the half year to keep a low level of cost of risk.*

The context in which banks operate remains rather challenging, with persistently low interest rates and uncertain growth prospects in many countries.

Meanwhile, we are focusing on further improving our customer relations. The priority for our Bank is to be able to react to the needs and expectations of our customers and provide expert support to enable them to realise their plans and projects. With our development of innovative digital approaches and financial solutions and the further expansion of our omni-channel strategy for both Individual and Corporate clients, we are more than ever determined to be the Bank of choice for our customers.

I am proud of our BNP Paribas Fortis staff, who have worked hard to achieve these results. I would also like to take this opportunity to thank our customers for the trust which they continue to place in us."

* Excluding non-business-related items.



The below analyses focus on underlying business performance and exclude the following non-business-related items: impacts of scope changes, evolution of foreign exchange rates and credit spreads, and other non-operating items (mainly composed of non-recurrent items).

Revenues totalled EUR 3,729 million, up 7.3%* compared to the first half of 2014. The underlying increase was mainly supported by a very good operating performance in Belgium, a continuous growth in Turkey and to a lesser extent by good results in Leasing and Personal Finance.

- In Belgian Retail Banking, revenues grew by 7.4%* thanks to growing interest income supported by higher loans volumes (+4.8% on mortgage loans compared to the first half of 2014), higher commercial margins and higher prepayment fees due to credit refinancing. This is also driven by lower funding cost triggered by the continuously low interest rates in 2015 and more particularly lower interest expenses on savings despite higher volumes (+3.8% on deposits). The very good performance of management fees and selling fees also contributed to the increase of revenues.
- In Turkey, revenues rose by 21%* particularly driven by strong volume growth in both loans and deposits (respectively +22%* and +16%* compared to the first half of 2014) in line with our ambition.

Operating expenses and depreciations amounted to EUR 2,364 million, up by 3.3%* compared to the first half of 2014.

- In Belgium, costs slightly increased by 1.0%* due to additional EUR 41 million of Belgian banking taxes and levies, for which BNP Paribas Fortis supported a total amount of EUR 268 million in 2015. This included the Bank's contribution for the Deposit Guarantee Scheme (DGS), the Financial Stability Contribution (FSC), a regular and additional tax on saving deposits and for the first time the contribution to the Single Resolution Fund (SRF). The Bank's contribution was fully booked in the first half of 2015 based on the first time application of IFRIC 21 'Levies'.
Overall, the increase in Belgian banking taxes and levies was partly off-set by the effect of operating efficiency measures.
- In Turkey, costs increased by 9.1%* due to the continuous development of activity and in line with our growth ambitions in that country.

* Excluding non-business-related items.



As a result, **gross operating income** rose by 15%* to EUR 1,365 million. The consolidated cost/income ratio stood at 63.4%.

Cost of risk stood at EUR 209 million, corresponding to 25 basis points of outstanding customer loans. In Belgian Retail Banking, cost of risk was very low, at 8 basis points of outstanding customer loans.

Share of Earnings of Associates was up 21%*, at EUR 91 million, supported by higher results in Leasing associates. Besides this evolution, following the completion of the legal merger, in Poland, between BGŻ bank and BNP Paribas Bank Polska, BNP Paribas Fortis holds 28.35% in the new merged bank operating under the name Bank BGŻ BNP Paribas, becoming Poland's 7th largest bank with over 4% market share.

Income tax in the first half of 2015 amounted to EUR 341 million.

BNP Paribas Fortis generated EUR 811 million in **net income attributable to equity holders**, up by 11%* compared to the same period last year, reflecting the good performance delivered in the first half of 2015.

The BNP Paribas Fortis **balance sheet total** amounted to EUR 280 billion at 30 June 2015, EUR 5 billion or 2% higher than at the end of 2014¹. The growth mainly resulted from strong growth in customer loans and deposits in Belgium and Turkey and higher (reverse) repos activity.

From a geographical point of view – based on the location of the BNP Paribas Fortis companies – 66% of the assets are located in Belgium, 9% in Turkey, 9% in Luxembourg and 16% in other countries.

The Bank's **solvency** remained well above regulatory minima. At 30 June 2015, BNP Paribas Fortis' fully loaded Basel 3 Common Equity Tier 1 ratio was 12.0% and the phased-in Basel 3 Common Equity Tier 1 ratio stood at 14.2%.

Liquidity remained healthy, with customer deposits² standing at EUR 171 billion and customer loans² at EUR 167 billion at 30 June 2015.

* Excluding non-business-related items.

¹ The 2014 figures were restated in accordance with IFRIC 21 'Levies' (more information in the Financial Report First half 2015).

² Customer deposits consist of amounts due to customers excluding repurchase agreements ('repos'). Customer loans are loans and receivables due from customers, excluding securities and reverse repos.



DETAILS OF NON-BUSINESS-RELATED ITEMS

	1H 2015	1H 2014	business variance*		non-business variance**	
			Δ EUR	Δ %	2015	2014
<i>in EUR million</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
Net banking income	3,729	3,452	251	7.3%	38	11
Operating expenses and Depreciation	(2,364)	(2,321)	(76)	3.3%	-	(33)
Gross operating income	1,365	1,131	174	15%	38	(22)
Cost of Risk	(209)	(160)	(48)	30%	-	1
Operating income	1,156	971	127	13%	38	(21)
Share of Earnings of Associates	91	79	16	21%	2	5
Other Non-Operating Items	134	2	0	n.a.	133	2
Pre-tax income	1,381	1,052	142	13%	173	(14)
Corporate income tax	(341)	(292)	(48)	17%	(4)	(3)
Minority interests	229	193	(32)	17%	-	2
Net income attributable to equity holders	811	567	61	11%	169	(15)

The figures of the first half of 2014, used as comparatives, were restated to reflect the application of IFRIC 21 'Levies' and show the full impact of the banking taxes and levies at 1st January 2014 instead of spread out over the year.

* business variance is calculated as follow:

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

** non-business-related items in the Profit and Loss account include the following elements:

- Adjustments for constant scope mainly related to :
 - the transfer of activities of the BNP Paribas Fortis branch in Germany (Frankfurt) to the German branch of BNP Paribas in December 2014.
 - the merger between BNP Paribas Bank Polska and BGŻ took place on 30 April 2015. Consequent to the merger, BNP Paribas Fortis acquired a stake of 28.35% in the new merged entity Bank BGŻ BNP Paribas taking the form of an investment in an associate.
- Adjustments for constant exchange rates.
- Credit spread-related items mainly included the impact of own credit risk, evolution of Debit Valuation Adjustment (DVA) and the Funding Valuation Adjustment (FVA).



- Other Non-operating items mainly related to the capital gain realised on the sale of the participation in Cronos (+68m) and the dilution capital gain on BNP Paribas Bank Polska (+82m)¹.

Non-business-related items relating to the Balance Sheet include the following items:

- Adjustments for scope change related to the merger of BNP Paribas Bank Polska with BGŻ bank.
- Adjustments for constant exchange rates.

¹ More information in the Financial Report First half 2015.



For more details, please consult the Financial Report First half 2015, including the Report of the accredited statutory auditors of BNP Paribas Fortis SA/NV, available at www.bnpparibasfortis.com.

Figures included in this document are unaudited.

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 do not cover the contribution of BNP Paribas Fortis to the consolidated results of BNP Paribas, which have a different scope and take into account purchase accounting by BNP Paribas.

The Financial Report First half 2015 and 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, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas Fortis and its subsidiaries and 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. Those events are uncertain; their outcome may differ from current expectations, which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this document is made at the date of this document. BNP Paribas Fortis does not recognise any obligation to publicly revise or update any forward-looking statements in the light of new information or future events. The information contained in this document as it relates to parties other than BNP Paribas Fortis or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

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BNP Paribas www.bnpparibas.com has a presence in 75 countries with more than 185,000 employees, including 145,000 in Europe. It ranks highly in its two core activities: Retail Banking & Services (comprised of Domestic Markets and International Financial Services) and Corporate & Institutional Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail banking model across Mediterranean basin countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing businesses in Asia-Pacific.

