

# PRESS RELEASE

## 2024 First Half Results

Brussels, 6 September 2024

# BNP PARIBAS FORTIS CONTINUED TO PLAY ITS ROLE AS MOTOR OF THE ECONOMY IN A VOLATILE ENVIRONMENT

*BNP Paribas Fortis achieved good consolidated results in the first half 2024 with a net income attributable to equity holders at EUR 1,354 million. Compared to the first half 2023 - that benefitted from several positive elements (a.o. higher prices of the second-hand vehicles, stronger demand in market activities servicing clients in Turkey) - the net banking income decreased by -3.6%\* (at EUR 5,204 million) and the net income attributable to equity holders decreased by -10.9%\*. With a common equity tier 1 ratio at 15.7% and liquidity coverage ratio at 134%, the financial structure of BNP Paribas Fortis remained solid.*

In the first half of 2024, we remained fully committed to our approach that focuses on growth, accessibility and sustainability. We grew our outstandings in both our individual and corporate customer segments. At the same time, we further strengthened our distribution network and our digital service offering. Following the successful integration of bpost bank, 600,000 former bpost bank customers began to make full use of our products and services.

The environment in which we served our customers was volatile, with a persistently unsettled geopolitical situation. Economic growth picked up slightly, but inflation in Belgium is higher than the European average and European and Belgian industry faces multiple challenges. Despite inflation, we were able to limit cost increases.

Excluding the impact of the government bond of 6.9bn euros, deposits on savings, current and term accounts in Belgium are up 1.1% on 1H 2023. This demonstrates our capacity to attract savings and convert them, among other things, into loans which oxygenate the Belgian economy.

We continued to finance our individual and corporate customers' plans and projects. Outstanding loans to customers in Belgium increased 2.9% to 161.8bn euros on 1H 2023, compared to a real GDP growth of 1.1% over this period. In a very competitive environment, we granted 16.3bn euros of new loans to all sectors of the economy.

## BUSINESS GROWTH SUPPORTED BY ALL CONSOLIDATED SEGMENTS

CUSTOMER LOANS <sup>1</sup>	CUSTOMER DEPOSITS <sup>2</sup>
EUR 262.3	EUR 209.1
BILLION	BILLION
+6.4%* VS. 30.06.2023	-0.7%* VS. 30.06.2023

## CONTINUED SUPPORT TO THE BELGIAN ECONOMY

EUR 161.8 BILLION  
(+2.9%) OF LOANS PORTFOLIO<sup>3</sup> VS. 30.06.2023

EUR 152.4 BILLION  
(-3.3%) OF DEPOSITS PORTFOLIO<sup>2</sup> VS. 30.06.2023,  
(+1.1% EXCLUDING THE IMPACT OF THE GOVERNMENT BOND)

EUR 16.3 BILLION  
(-10.5%) OF LOAN PRODUCTION<sup>4</sup> VS. 1H 2023

EUR 103.8 BILLION  
(+13.6%) OF OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT<sup>5</sup> VS. 30.06.2023



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"First of all, I would like to thank our staff for their dedication to our customers and the bank, and our customers for their trust in our services.

In Belgium, our loans to businesses increased by 3.6%. Mortgage loans production is characterised by a greater demand for loans with longer maturities. We maintain our position as the Belgian market leader, with BNP Paribas Fortis accounting for more than 1 in 5 of all new mortgage loans. Our ESG-related loans, such as company loans linked to scores determined on the basis of environmental, social and governance criteria and energy efficient mortgages & renovation loans, continue to grow much faster than our global loan portfolio.

Six months after the integration of bpost bank and the launch of our new service packs, almost 4 million retail customers have found their way through our renewed offering. Former bpost bank customers already digitally active are using our services via the app and web more frequently than before the integration. Close to half of our active app users use the app at least once a day. In total, customers use our Easy Banking app up to 100 million times a month.

We recorded more than 800,000 banking contacts – both advice and servicing – via the bpost network and 1.8 million via BNP Paribas Fortis branches. Only a small number of customers changed their initial choice of service pack after the launch on 1 January. For example, 98% of customers who opted for the Easy Go package with service at the post office did not change their choice.

In Private Banking, we remain the market leader amid intense competition and consolidation. Our one-stop-shop approach combines digital tools with the expertise of our team of relationship managers. Over the past five years, we have invested 122 million euros to accelerate the deployment of innovative and efficient solutions for this client segment.

We have performed well, both commercially and financially, in a volatile and competitive environment, resulting in an increased customer satisfaction across all customer segments."

*Michael Anseeuw*  
Chief Executive Officer

## REVENUES

EUR 5,204 MILLION  
-3.6%\* VS. 1H 2023

## COSTS

EUR (3,000) MILLION  
+2.9%\* VS. 1H 2023

## GROSS OPERATING INCOME

EUR 2,204 MILLION  
-11.2%\* VS. 1H 2023

## COST OF RISK

EUR (182) MILLION  
+7BP<sup>6</sup> VS. 1H 2023

## PRE-TAX INCOME

EUR 2,095 MILLION  
-12.1%\* VS. 1H 2023

## NET INCOME

EUR 1,354 MILLION  
-10.9%\* VS. 1H 2023

## SOLID FINANCIAL STRUCTURE

RETURN ON EQUITY

12.5%

(ADJUSTED FOR IFRIC 21)

COMMON EQUITY  
TIER 1 RATIO

15.7%

LIQUIDITY COVERAGE  
RATIO

134%<sup>7</sup>



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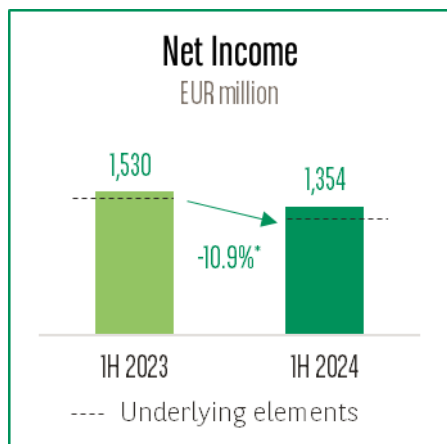
## Consolidated income statement and key figures & ratios

In EUR million	1H 2024	1H 2023	Total variance <sup>8</sup>		Retreated items <sup>9</sup>		Variance excl. retreated items <sup>9</sup>	
			Δ EUR	Δ %	2024	2023	Δ EUR	Δ %
	a	b	c	d	e	f	g	h
Net banking income	5,204	5,268	-64	-1.2%	81	-46	-192	-3.6%
Operating expenses and Depreciation	-3,000	-2,848	-152	5.3%	-69	-1	-84	2.9%
<b>Gross operating income</b>	<b>2,204</b>	<b>2,420</b>	<b>-216</b>	<b>-8.9%</b>	<b>12</b>	<b>-48</b>	<b>-276</b>	<b>-11.2%</b>
Cost of Risk	-182	-88	-94	106.1%	-33	2	-59	64.7%
<b>Operating income</b>	<b>2,022</b>	<b>2,332</b>	<b>-310</b>	<b>-13.3%</b>	<b>-21</b>	<b>-46</b>	<b>-334</b>	<b>-14.1%</b>
Share of Earnings of Associates	207	180	27	14.4%	-1	-1	27	14.2%
Other Non-Operating Items	-134	-60	-74	123.2%	-134	-60	0	n/a
<b>Pre-tax income</b>	<b>2,095</b>	<b>2,452</b>	<b>-357</b>	<b>-14.6%</b>	<b>-156</b>	<b>-107</b>	<b>-308</b>	<b>-12.1%</b>
Corporate income tax	-597	-663	66	-10.1%	-15	-36	45	-7.4%
Minority interests	-144	-259	115	-44.1%	89	61	87	-26.8%
<b>Net income attributable to equity holders</b>	<b>1,354</b>	<b>1,530</b>	<b>-176</b>	<b>-11.5%</b>	<b>-83</b>	<b>-82</b>	<b>-176</b>	<b>-10.9%</b>

In EUR million	30 June 2024	30 June 2023
<b>Balance Sheet</b>		
Total assets	384,471	381,416
• of which customers loans	262,252	251,325
• of which customers deposits	209,113	212,325
Total Shareholders' equity	24,228	24,038
Total risk weighted assets	136,274	126,902
<b>Profitability</b>		
Cost income ratio <sup>10</sup> (adjusted for IFRIC 21)	53.8%	49.9%
Return on assets <sup>11</sup> (adjusted for IFRIC 21)	0.8%	0.9%
Return on risk weighted assets <sup>12</sup> (adjusted for IFRIC 21)	2.3%	2.8%
Return on equity <sup>13</sup> (adjusted for IFRIC 21)	12.5%	14.2%
<b>Solvency</b>		
Common equity Tier 1 ratio (CET 1 ratio)	15.7%	16.5%
Tier 1 ratio	16.3%	17.1%
Total capital ratio	18.5%	17.9%
<b>Liquidity</b>		
Liquidity coverage ratio	134%	125%
Net Stable Funding Ratio	110%	111%



## Analysis of the first half 2024 financial performance

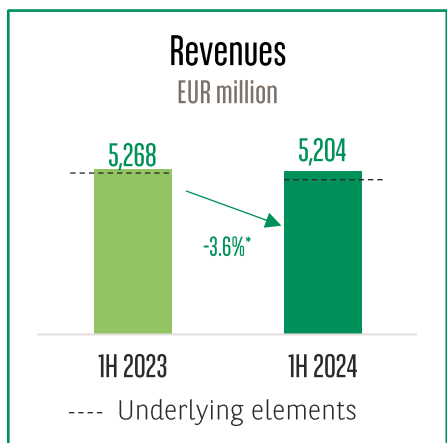


BNP Paribas Fortis consolidated net income attributable to equity holders in the first half 2024 amounted to EUR 1,354 million. Compared to the first half 2023, the reported evolution of the net income attributable to equity holders showed a decrease of -11.5%.

When excluding the retreated items<sup>9</sup> for the scope changes, the foreign exchange effects and the other one-off results<sup>14</sup>, the underlying evolution of the net income attributable to equity holders showed a decrease of -10.9%\*.

The below analysis focuses on the underlying evolution. The consolidation scope includes BNP Paribas Fortis<sup>15</sup> in Belgium, BGL BNP Paribas<sup>15</sup> in Luxembourg, Turk Ekonomi Bankasi<sup>15</sup> in Turkey, Specialised Businesses<sup>15</sup> with international activities, and Other<sup>15</sup>.

## Decrease of revenues driven by TEB and the Specialised Businesses



At BNP Paribas Fortis, revenues are up compared to the first half of 2023 that included a one-off loss on the TLTRO hedging swap. Revenues have been negatively impacted by the decrease of the average deposits due to the issuance of the Belgian government bond in the third quarter of 2023, the non-remuneration of the mandatory reserves, and lower margins on loans. The revenues of the global market activities were lower compared to the very good first half of 2023.

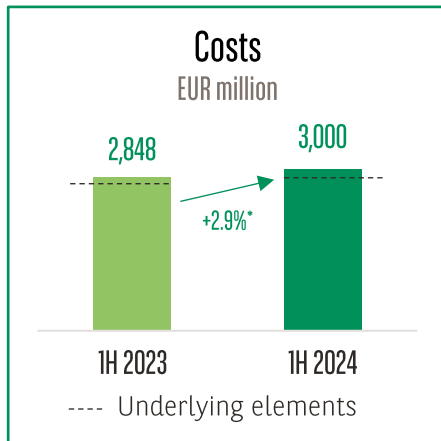
At BGL BNP Paribas, the Commercial & Personal Banking revenues increased thanks to a higher net interest income supported by higher margins on deposits. The net commission income was also higher than in the first half 2023.

The decrease of the consolidated revenues was substantially driven by the lower results at **Specialised Businesses**, mainly driven by the normalisation of the prices of the second-hand vehicles at Arval and despite a significant improvement of the financial margin supported by the further enlargement of the financed fleet by +6.4%. At Leasing Solutions and Personal Finance, there was also a strong expansion of the financed outstandings supporting higher revenues.

Revenues decreased at **Turk Ekonomi Bankasi ("TEB")** mainly impacted by lower results coming from market activities servicing clients compared to exceptionally high results in the first half 2023 in a context of high volatility in interest rates and currency exchange rates. The net interest margin increased supported by higher volumes and margins on customer loans and deposits.



## Contained costs increase still impacted by inflation



At BNP Paribas Fortis and BGL BNP Paribas, lower costs were mainly driven by lower contributions to the European Single Resolution Fund, partly offset by the impact of inflation and a substantial increase of the Belgian banking tax due to a higher tax rate only applicable on the largest banks.

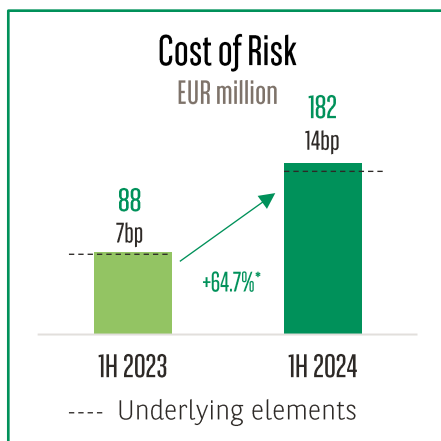
The growth of the costs was mainly driven by **Specialised Businesses** where, next to the overall increase driven by the continuous business development and the growth of activities, the staff expenses and the other operating expenses were also impacted by inflation.

The increase of costs at **TEB** was substantial in an economy that is still in hyperinflation, impacting mostly the staff expenses, with a more limited expansion in the other operating expenses.

## Gross operating income at EUR 2,204 million

The gross operating income stood at EUR 2,204 million, decreasing by -11.2%\*. The cost income ratio adjusted for IFRIC 21 deteriorated from 49.9% in 1H 2023 to 53.8% in 1H 2024.

## Low cost of risk at 14bp



At BNP Paribas Fortis, there was an overall decrease in the cost of risk with lower provisions on performing loans, while provisions on non-performing loans increased. The cost of risk on average outstanding loans of the period remained at a low level of 2bp. At BGL BNP Paribas, there was a net release of cost of risk, following lower provisions on performing loans.

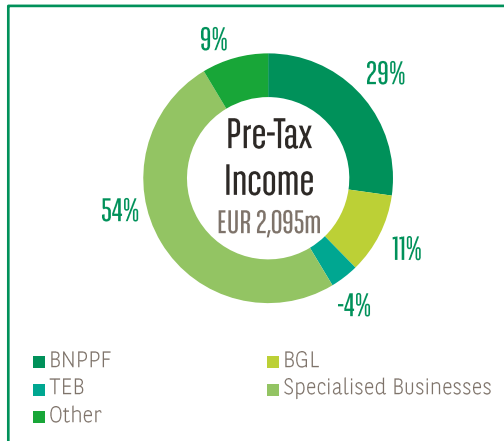
The increase in the cost of risk at **Specialised Businesses** is mainly related to the growth of the financed outstandings.

The cost of risk at **TEB** showed an increase in both performing and non-performing loans, normalising from a low level (net release) in H1 2023.



## The consolidated operating income decreased by -14.1%\*

The share of earnings of equity-method entities amounted to EUR 207 million in the first half 2024 compared to EUR 180 million in the first half 2023. The increase is explained mainly by the participations held in BNP Paribas Asset Management, BNP Paribas Bank Polska and AG Insurance.

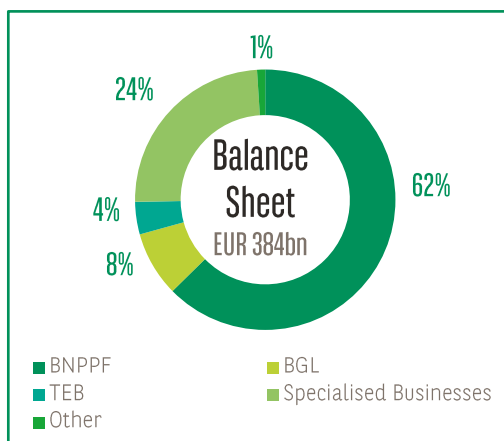


The **pre-tax income** decreased by -12.1%\* compared to the first half 2023.

The **corporate income taxes** amounted to EUR 597 million in the first half 2024, a decrease of -7.4%\*. In the first half 2024, the effective tax rate stood at 32%, versus 29% in the first half 2023.

The **net income attributable to equity holders** amounted to EUR 1,354 million, a decrease of -10.9%\* compared to the first half 2023.

## Solid balance sheet and financial structure



The **consolidated balance sheet** totalled EUR 384 billion on 30 June 2024, an increase of EUR 13 billion\* compared to 30 June 2023, of which EUR 262 billion of customer loans<sup>1</sup> increasing by EUR 16 billion\*.

The **consolidated Common Equity Tier 1 ratio** remained solid and stood at 15.7%, compared to 16.5% as of 30 June 2023. The decrease of the ratio, despite a stable Common Equity Tier 1 regulatory capital, is explained by a higher amount of risk weighted assets mainly driven by the credit risk in relation with the growth of customer loans.

The **non-consolidated Liquidity Coverage Ratio** stood at 134%, compared to 125% as of 30 June 2023.



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BNP Paribas Fortis ([www.bnpparibasfortis.com](http://www.bnpparibasfortis.com)) offers the Belgian market a comprehensive range of financial services for private individuals, the self-employed, professionals, companies and public organisations. In the insurance sector, BNP Paribas Fortis works closely, as a tied agent, with Belgian market leader AG Insurance. At international level, the Bank also provides high-net-worth individuals, large corporations and public and financial institutions with customised solutions, for which it is able to draw on the know-how and international network of the BNP Paribas Group.

BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)) is the European Union's leading bank and key player in international banking. It operates in 63 countries and has nearly 183,000 employees. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arva; 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 commercial & personal banking model across several Mediterranean countries, Turkey, and Eastern Europe. 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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## Notes

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

<sup>1</sup> Loans and receivables due from customers excluding securities and reverse repos and including Arval's rental fleet.

<sup>2</sup> Amounts due to customers excl. repurchase agreements ('repos').

<sup>3</sup> Including Belgian subsidiaries (including the Arval's rental fleet in Belgium).

<sup>4</sup> Including Belgian subsidiaries (excluding the Arval's rental fleet in Belgium).

<sup>5</sup> Commercial & Personal Banking in Belgium scope, excluding Assets under Administration (AuA).

<sup>6</sup> Cost of risk on average outstanding loans over the period.

<sup>7</sup> On a non-consolidated basis.

<sup>8</sup> Variances are calculated as follows:

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

<sup>9</sup> Retreated items for the Profit and Loss account relate to the following elements:

- Adjustments for constant exchange rates, mainly related to the Turkish lira depreciation.
- Adjustments for constant scope, including mainly (1) the entry into scope and full consolidation of Creation Financial Services and Creation Consumer Finance, acquired by Alpha Credit, as from 1 April 2023 and (2) the sale of BNP Paribas Factor GmbH as from Q1 2024.
- Other one-off results, mainly related to, in 2023 and 2024, (i) the transformation, restructuring & adaptation costs and (ii) the remaining non-operating income, and associated corporate income taxes and minority interests.

<sup>10</sup> The cost income ratio is calculated by dividing the total operating expenses and depreciation (absolute value) by the total revenues (the net banking income). The cost income ratio is adjusted for IFRIC 21.

<sup>11</sup> The return on assets is calculated by dividing the net income attributable to equity holders (absolute value) by the total assets. The return on assets is adjusted for IFRIC 21.

<sup>12</sup> The return on risk weighted assets is calculated by dividing the net income attributable to equity holders (absolute value) by the total risk weighted assets. The return on risk weighted assets is adjusted for IFRIC 21.

<sup>13</sup> The return on equity is calculated by dividing the net income attributable to equity holders (absolute value) by the average total shareholders' equity (average between the total shareholders' equity of current period and the total shareholders' equity end of previous year). The return on equity is adjusted for IFRIC 21.

<sup>14</sup> Mainly IAS 29 treatment of hyperinflation in Turkey.

<sup>15</sup> The structure of the consolidation scope includes:

- **"BNP Paribas Fortis"**: mainly the legal entity BNP Paribas Fortis and some smaller subsidiaries, mostly located in Belgium, of which bpost bank and legal entities of the Factoring and Private Equity businesses;
  - Main businesses are Commercial & Personal Banking in Belgium and Corporate & Institutional Banking.
- **"BGL BNP Paribas"**: mainly the legal entity BGL BNP Paribas (50% ownership) and some smaller subsidiaries, mainly located in Luxembourg;
  - Main business includes Commercial & Personal Banking in Luxembourg.
- **"Turk Ekonomi Bankasi"**: mainly the legal entity Turk Ekonomi Bankasi ("TEB") (49% ownership) and some smaller subsidiaries, mainly located in Turkey;
- **"Specialised Businesses"**: all legal entities of **Arval** (100% ownership), **Leasing Solutions** (25% ownership) and **Personal Finance** (100% ownership).
- **"Other"**: mainly participations consolidated in equity method, mainly AG Insurance located in Belgium (25% ownership), BNP Paribas Bank Polska located in Poland (24% ownership) and BNP Paribas Asset Management with international activities (33% ownership).

