

BNP PARIBAS FORTIS 2021 FULL YEAR RESULTS

DYNAMIC BUSINESS ACTIVITY IN A CONTEXT OF REBOUND OF THE ECONOMY

CUSTOMER LOANS¹ AT EUR 218 BILLION, +5.4%* vs. 31.12.2020
CUSTOMER DEPOSITS² AT EUR 199 BILLION, +4.9%* vs. 31.12.2020

STRONG SUPPORT FOR THE BELGIAN ECONOMY

EUR 38.1 BILLION (+18.7%) OF FINANCING PRODUCTION³
EUR 134 BILLION (+3.2%) OF LOANS⁴
EUR 93.3 BILLION (+10.4%) OFF BALANCE ASSETS UNDER MANAGEMENT⁵

REVENUES: EUR 8,412 MILLION, +7.5%* vs. 2020

HIGHER REVENUES IN BELGIUM DESPITE THE IMPACT OF LOW INTEREST RATES EXCELLENT PERFORMANCE OF SUBSIDIARIES

COSTS: EUR 4,577 MILLION, +2.7%* vs. 2020

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

GROSS OPERATING INCOME: EUR 3,835 MILLION, +14.0%* vs. 2020

POSITIVE JAWS EFFECT

COST OF RISK: EUR 359 MILLION, -15bp vs. 2020

COST OF RISK ON AVERAGE OUTSTANDING CUSTOMER LOANS AT 17bp

PRE-TAX INCOME: EUR 3,813 MILLION, +26.9%* vs. 2020

NET INCOME: EUR 2,593 MILLION, +29.5%* vs. 2020

VERY SOLID FINANCIAL STRUCTURE

COMMON EQUITY TIER 1 RATIO OF 18.0%

LIQUIDITY COVERAGE RATIO OF 192%⁶

* 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 Including Belgian subsidiaries and including the Arval's rental fleet in Belgium.

⁵ BRB scope, excluding Assets under Administration (AuA).

⁶ On a non-consolidated basis.

Analysis of the full year 2021 financial performance

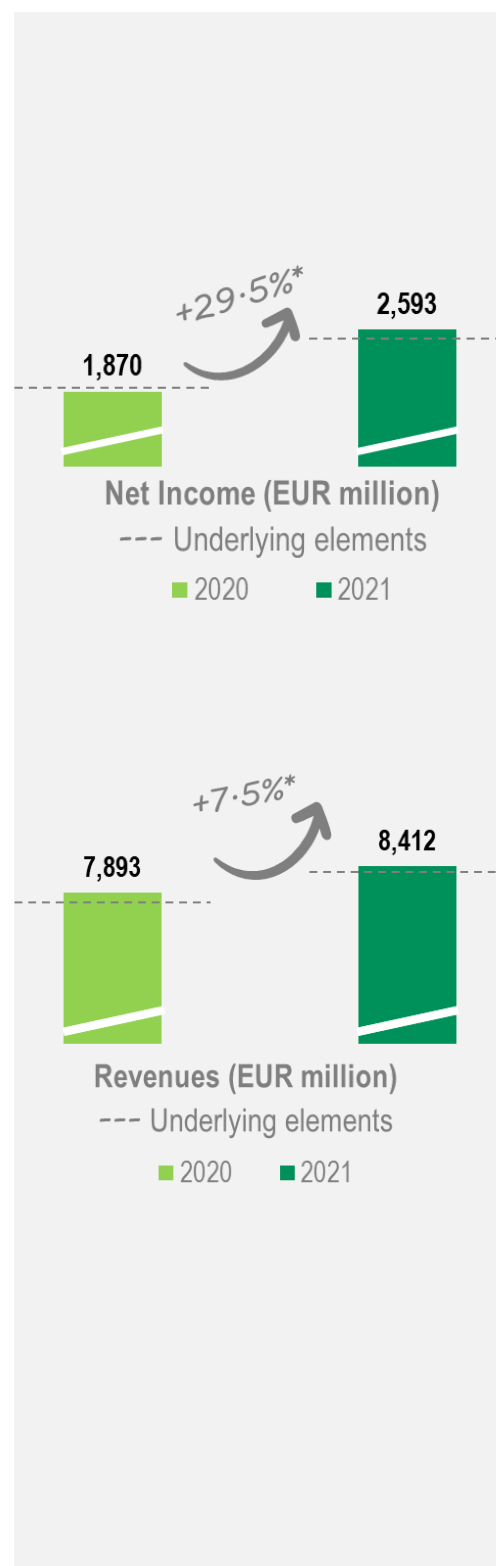
The consolidated net income attributable to equity holders in 2021 amounted to EUR 2,593 million, up by +38.6% compared to 2020. When excluding non-recurrent items (related mainly to the depreciation of the Turkish lira, the scope changes, the one-off results at BNPP-AM, the impairment of the equity-method investment in bpost bank in Q4 2020 and a real estate capital gain in the results of Belgium in 2021), the underlying evolution showed an increase of +29.5%*.

The below analysis focuses on this underlying evolution.

Strong results with a positive evolution in Belgium and a excellent performance of subsidiaries

Revenues amounted to EUR 8,412 million, up 7.5%* vs. 2020.

- In Belgium¹, revenues increased by 4.3%*, despite the impact of the low interest rate environment, thanks to Belgian Retail Banking activities, supported by the growth of customer loans, a sharp increase in fee income essentially driven by a strong development of investments, a strong contribution from the Private Equity business, and thanks to Corporate and Institutional Banking, mainly driven by the lending activity.
- In other activities, revenues increased by 11.0%*, 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 second-hand vehicles for Arval where the revenues increase was very strong. In Turkey, the increase of revenues



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

¹ Belgium includes Belgian Retail Banking and Corporate & Institutional Banking.



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was mainly supported by the growth of customer loans and the higher commission income.

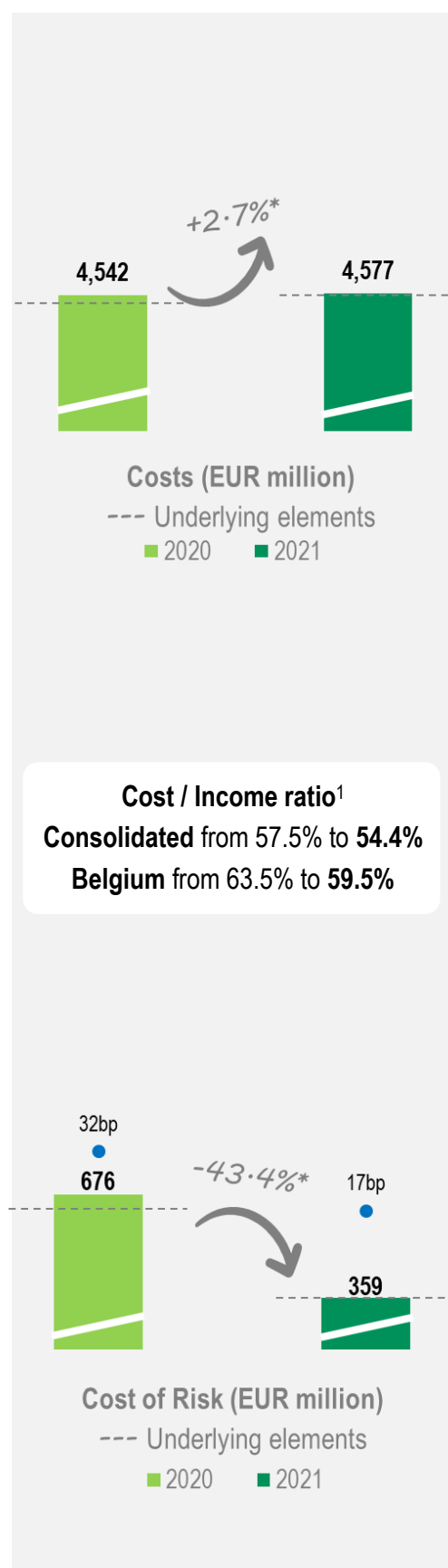
Costs amounted to EUR 4,577 million, increasing by 2.7%* vs. 2020.

- In Belgium, costs decreased by -1.2%*, 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.
- In other activities, costs increased by 8.0%* mainly in support to the growth of activities in Other Domestic Markets, IT developments, banking taxes in Luxembourg and the impact of the inflation in Turkey.

Gross operating income increased by 14.0%* to EUR 3,835 million. The consolidated cost / income ratio¹ improved at 54.4% compared to 57.5% in 2020. In Belgium, the ratio was further materially reduced from 63.5% in 2020 to 59.5%.

Cost of risk amounted to EUR 359 million, decreasing by -15 basis points (bp) compared to a high basis in 2020, driven by overall lower provisions on non-performing loans (stage 3) and performing loans (stages 1 & 2). Cost of risk at 17bp, back to a normalised level.

- In Belgium, the cost of risk was lower (9 basis points compared to 21 basis points in 2020), with a decrease of provisions on both non-performing and performing loans, compared to a high basis in 2020, impacted by one specific file and the health crisis.



* 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.



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- In most other activities, there was an overall decrease of the cost of risk with lower provisions on both non-performing and performing loans. At Arval and in Turkey, the overall decrease was partly offset by the strong volume growth and the corresponding increase of provisions on performing loans.

The share of earnings of equity-method entities was up by 18.8%*, at EUR 322 million, mainly thanks to the higher contributions from BNP Paribas Asset Management and AG Insurance. The contribution from BNP Paribas Bank Polska was lower than last year, impacted by a non-recurring item.

The net income attributable to equity holders of EUR 2,593 million increased by +29.5%* compared to 2020.

Very solid financial structure

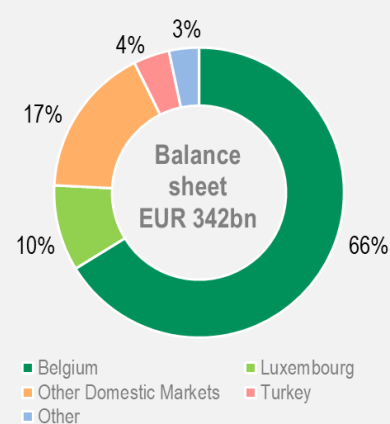
The consolidated balance sheet totalled EUR 342 billion as at 31 December 2021, an increase of EUR 7 billion or 2% compared to the end of 2020.

The consolidated Common Equity Tier 1 ratio stood at 18.0% (compared to 15.9% as of 31 December 2020), well above the regulatory threshold.

The non-consolidated Liquidity Coverage Ratio stood at 192% (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, ideally positioning BNP Paribas Fortis for the future.

The Board of Directors intends to propose at the General Shareholder's Meeting scheduled on 21 April 2022 a dividend distribution of EUR 4.58 per share.



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



CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2021	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	8,412	7,893	519	6.6%	120	180	579	7.5%
Operating expenses and Depreciation	(4,577)	(4,542)	(35)	0.8%	(29)	(114)	(120)	2.7%
Gross operating income	3,835	3,351	485	14.5%	92	66	459	14.0%
Cost of Risk	(359)	(676)	317	-46.9%	(0)	(42)	275	-43.4%
Operating income	3,476	2,675	801	30.0%	91	24	734	27.7%
Share of Earnings of Associates	322	322	0	0.1%	27	73	47	18.8%
Other Non-Operating Items	15	(114)	129	n/a	15	(114)	-	n/a
Pre-tax income	3,813	2,883	930	32.3%	132	(17)	781	26.9%
Corporate income tax	(752)	(589)	(163)	27.7%	(21)	(10)	(152)	26.2%
Minority interests	(468)	(424)	(44)	10.4%	(2)	(21)	(64)	15.8%
Net income attributable to equity holders	2,593	1,870	723	38.6%	109	(48)	566	29.5%

* 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 booked in the operating expenses and one-off results.

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 Annual Results 2021

In 2021 we continued to focus our #PositiveBanking approach entirely on providing services and solutions to make life easier for our customers and help them grow, while also promoting a sustainable economy.

2021 was a pivotal year for our customers, our staff and the bank as a whole. The Covid-19 epidemic was not quelled as quickly as originally expected. Meanwhile the challenges around sustainability and climate change were making themselves felt intensively in day-to-day life in Belgium and elsewhere. On the macro-economic front, there were supply chain issues and inflation rose to levels not seen for a long time, while interest rates in the euro zone remained low. However, the Belgian economy bounced back up again – albeit not at the same tempo in all sectors – resulting in stronger consumption figures and higher corporate investments.

Partly due to the health crisis, the digital transformation of society progressed at greater speed. The limitations on movement and restrictions on social contacts led our customers to make greater use of all our digital channels. We saw an increase of over 100,000 in the number of customers actively using the Easy Banking App (EBA) or Easy Banking Web, which reached 2.5 million by the end of the year.

We made great efforts in 2021 to provide a broad range of assistance to customers wishing to improve their digital skills – running digital workshops at our branches, posting educational videos about our EBA on social media and offering a Digital Maturity Assessment programme for business clients.

We launched a new digital ‘Hello bank! Pro’ service for the self-employed and members of the professions, enabling them to request a company number and open a business account online with just a few mouse-clicks.

During the year, we continued our information campaigns for both customers and staff to keep them up to date with the various payment moratoria available on loan repayments and insurance premiums; to advise them on the mechanisms for remote access to the bank; and to help them comply with the health-related rules when using our branches and self-banking facilities.

In 2021 we stepped up the pace of our repositioning as a bancassurance provider, inter alia incorporating into our product range the fire insurance solutions for professional people provided by our partner AG Insurance and recruiting some 50 insurance experts. During the July flooding episode, we gave high priority to customers affected by providing them with assistance and helping them file their damage claims. In total we processed 6,200 claims related to the floods.

Strong financial results

In the context of a rebounding Belgian economy, the bank was able to achieve strong financial results. Consolidated net profit came in at EUR 2,593 million, a 29.5%* increase on the 2020 figure. Meanwhile the persistent downward pressure on interest rate income in our Belgian retail banking business was offset by increased revenues, mainly from higher commission income, a lower cost of

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



risk, and efficiency gains. There was continued growth in lending products (+2.4%) and deposits (+6.0%) in Belgium across all customer segments. Corporate & Institutional Banking posted very good results. We also saw a rise in revenues from our Arval, Leasing Solutions and Personal Finance subsidiaries.

The cost of risk for 2021 came to 17 basis points, a 43% decrease in amount versus 2020. Meanwhile our solvency, with an 18% CET1 ratio, and liquidity, with an LCR of 192%, remain robust, enabling us to invest to the full in supporting the recovery of the Belgian economy.

Our bank in 2025: sustainable, growing, accessible

We aim to be a sustainable, growth-oriented and accessible bank, in line with our purpose: "Together we commit to a better society as the trusted financial companion at all moments of our clients' lives". To that end we are working to adapt our service model to the changing behaviours and expectations of our customers as their lives evolve.

Our plans focus strongly on customer satisfaction; the development of an organisation designed to serve the needs of all types of customers; highly committed staff; efficient operational processes; and the creation of both value and sustainability through our financial products and services. We have identified a number of key levers that will help us achieve these goals.

A sustainable bank

Sustainability criteria will continue to be a critical focus in all aspects of our service, and we are looking at diverse ways to provide banking services and platforms that can deliver added value in terms of sustainability. Examples include offering more attractive interest rates on 'green' car loans at our retail banking arm, and systematically promoting hybrid or fully electric vehicles under our 'top deals' with our partner and leasing subsidiary Arval.

We fully support our clients with sustainable housing solutions. Green Mortgage loans for construction and renovation increased to reach 40% of the total granted in 2021. We now have EUR 3.6 billion in green mortgages and EUR 169 million in energy loans outstanding. We also saw a strong demand from retail, affluent and private banking clients for our sustainable investment products, so that sustainable investments for these clients now amount to EUR 40 billion.

Our Private Equity business, in which we intend to invest one billion euros by 2025, also includes a strong sustainability component, as witnessed by our recent investments in companies such as Hannecard, Nobi and Aerospacelab. We also plan to go further with our Sustainability Linked Loans for enterprises, such as the financing of a EUR 500 million credit line for Umicore, for which our bank acted as Sustainability Coordinator.

Moreover, our partnership with Climact enables BNP Paribas Fortis company clients to obtain from Climact an analysis of their climate footprint and suggestions for strategies and solutions in this field, in cooperation with our Sustainable Business Competence Centre.

We are not only offering sustainable solutions to our clients but also building sustainable practices in all our operations. For example, our new Montagne du Parc headquarters sets new standards in the field of sustainability, and will not only enable us to manage our building stock in Brussels more efficiently, but will also serve as an example for buildings management.



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Our sustainability drive is fully in line with the commitments made by our parent BNP Paribas, which confirmed its ESG leadership within the banking sector in 2021 and positioned itself in the top 6% of banks assessed in the annual extra-financial rating of SAM, the S&P Global Corporate Sustainability Assessment (CSA).

A growing bank

After running bpost bank in a 50-50 joint venture together with national postal operator Bpost for the past 25 years, we have been able to further consolidate our network by acquiring the remaining 50% of bpost bank's shares, while also renewing our partnership agreement with Bpost for seven years. The transaction adds EUR 12 billion to our balance and makes us the 100% supplier of bpost bank's 600,000 customers. Through our unique co-operation model, we can now offer individuals and families the best of both worlds, namely the financial expertise of BNP Paribas Fortis and the distribution strength of Bpost.

Regarding our business customers, we see facilitating the daily management of incoming payments as key to their growth and development. The creation of our acquiring specialist Axepta gave us a unique position as bank-acquirer in the Belgian market, and we further stepped up our investment in merchant payment services with the acquisition of Ingenico's card payment processing and terminals in Belgium and Luxembourg, which was concluded in November. Following the Ingenico deal we now have 30,000 active merchant clients linked to 38,000 terminals. We aim to grow our volume to a market share of 15% in Belgium.

Meanwhile we are further developing our integrated transaction banking service for enterprises, which brings capital management, trade finance and factoring under one roof.

Other areas in which we also intend to further develop our capabilities are the insurance field, with a dedicated insurance expertise line and an improved product and service range for self-employed professionals, in collaboration with AG Insurance; and the investment field, with an extension of our investment products to a greater number of customer segments.

An accessible bank

Building a new commercial organisation designed to provide the very best services in an efficient, high-quality manner suited to the needs of all our diverse customers segments includes creating a new distribution model that aims for 100% easy digital access to our banking and insurance services.

Through our digital and remote channels we intend to provide simplified products and services with a strong focus on high quality and operational excellence in order to make life easier for all our customers. As part of this project we are committed to undertaking concrete actions to combat digital exclusion. We are one of the driving forces behind the Digital Inclusion Charter, whose aim is to narrow the digital divide in Belgium.

Staying close to our customers

One consequence of this digital sales approach is a reorganisation of our branch network. We will progressively upgrade our BNP Paribas Fortis and Fintro branches to focus much more on personal advice and services following the sale of more complex products. Meanwhile, by 1 January 2024 bpost bank will be fully integrated into BNP Paribas Fortis. We will then be able to provide a



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seamless service to all our individual customers via a network of approximately 880 branches: the combination of BNP Paribas Fortis and sales points operating within post offices.

Our network is further complemented by our investments in the Batopin automated cash dispensers that we share with other banks. The aim is to ensure that 95% of all bank customers have a cash point located no further than 5 kilometres from their front door.

In addition, we are going to introduce an elementary banking service, entitled 'Nickel', which will be provided through press shops, for those customers whose needs can be fully met through simple financial products – i.e. a bank card linked to a single bank account. Nickel has already been successfully rolled out by BNP Paribas in France where it serves 2.4 million customers.

In addition, our affluent & private banking clients and enterprise clients are to be brought together into a set of 16 Client Houses offering combined expertise, in which the Relationship Manager will play a prominent role. All skills and expertise, whether in the field of finance, investment or insurance will work together to provide integrated solutions for these clients.



CEO Max Jadot said: "In 2022 our bank will be celebrating its 200th anniversary. A constant theme throughout our history has been that we have always been able to help our customers grow by continually adapting, reinventing ourselves and staying ahead.

In order to further prepare our bank for the future, the Board of Directors will propose at the upcoming Annual Shareholders' meeting of 21 April 2022, subject to regulatory

approval, to appoint Ms. Sandra Wilikens, our Chief HR Officer, as an Executive Member of the Board of Directors. Our Board of Directors would like to congratulate her on this proposed nomination.

We're now looking to the future with a clear determination to be there for all our customers, providing the right solutions for the full range of their banking and insurance needs in all circumstances. Our plans will enable us to continue providing an up-to-date service based on secure, fast and comprehensive financial and insurance solutions.

As part of a top European group, we possess tools, unique in Belgium, to help us deploy our banking ecosystem so as to deliver added value to our customers in the management of their finances.

We're convinced that by making life easier for our customers in a sustainable manner, we will be able to cement and maintain long-term relationships with them going forward.

I would like to thank our customers for the trust they continue to place in our products and services. I would also like to thank my colleagues, whose unfailing commitment during this past year has enabled the bank to go on providing an excellent service."



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The consolidated net result amounting to EUR 2,593 million has been derived from the consolidated Financial Statements 2021 of BNP Paribas Fortis, which were validated by the Board of Directors on 10 March 2022.

The Financial Statements, including the audit reports by the accredited statutory auditor of BNP Paribas Fortis SA/NV, will be available early April at www.bnpparibasfortis.com.

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 Fortis (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) 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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