Annual Report 2024

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BNP PARIBAS FORTIS

Introduction

BNP Paribas Fortis is a limited liability company (naamloze vennootschap (NV)/société anonyme (SA)), incorporated and existing under Belgian law, having its registered office address at Warandeberg 3, 1000 Brussels and registered under number BE VAT 0403.199.702 (hereinafter referred to as the '**bank**' or as '**BNP Paribas Fortis**').

The BNP Paribas Fortis annual report 2024 contains both the audited consolidated and non-consolidated financial statements, preceded by the report of the Board of Directors, the statement of the Board of Directors and a section on corporate governance including the composition of the Board of Directors. The audited BNP Paribas Fortis consolidated financial statements 2024, with comparative figures for 2023, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, are followed by the audited non-consolidated financial statements 2024 of BNP Paribas Fortis, prepared on the basis of the rules laid down in the Belgian royal decree of 23 September 1992 on the annual accounts of credit institutions.

The BNP Paribas Fortis annual report 2024 is available in English, French and Dutch. The English version is the original one while the other versions are unofficial translations. Every effort has been made to ensure that the language versions correspond to one another. If one difference should exist, the English version would take precedence.

It is considered that the information included in the note 7.k 'Scope of consolidation', together with the information included in the report of the Board of Directors and in the corporate governance statement, complies with the requested information in article 168, §3 of the Belgian act of 25 April 2014 on the legal status and supervision of credit institutions.

The "Sustainability Statements" have been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) transposed into Belgian legislation. The statements have been prepared in line with the European Sustainability Reporting Standards (ESRSs) issued by the European Financial Reporting Advisory Group (EFRAG) as adopted by the EU, and the disclosure requirements related to Article 8 of the EU Taxonomy and underlying delegated acts.

All amounts in the tables of the consolidated financial statements are denominated in millions of euros, unless stated otherwise. All amounts in the tables of the non-consolidated financial statements are denominated in thousands of euros, unless stated otherwise. Because figures have been rounded off, small discrepancies with previously reported figures may appear. Certain reclassifications have been made with regard to the prior year's financial statements in order to make them comparable for the year under review.

BNP Paribas Fortis refers in the consolidated financial statements to the BNP Paribas Fortis SA/NV consolidated situation unless stated otherwise. BNP Paribas Fortis refers in the non-consolidated financial statements to the BNP Paribas Fortis SA/NV non-consolidated situation, unless stated otherwise.

All information contained in the BNP Paribas Fortis annual report 2024 relates to the BNP Paribas Fortis consolidated and non-consolidated financial statements and does not cover the contribution of BNP Paribas Fortis to the BNP Paribas Group consolidated results, which can be found on the BNP Paribas website: www.bnpparibas.com.

This annual report 2024 is a reproduction of the official version of the 2024 Annual Report of BNP Paribas Fortis annual that was prepared in ESEF (European Single Electronic Format) format and is available on the website : www.bnpparibasfortis.com.

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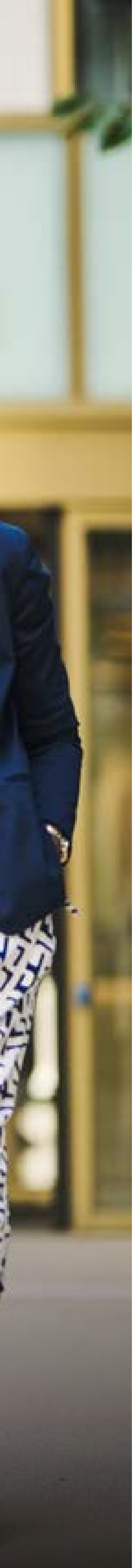

BNP PARIBAS FORTIS CONSOLIDATED ANNUAL REPORT 2024

Report of the Board of Directors

A word from the Chairman and the CEO

BNP Paribas Fortis delivered solid consolidated results in 2024. Our net profit came in at 2,919 million euros, down -8% from 2023. Loans in Belgium rose by 2.2% to 153.2 billion euros compared to 2023. Deposits in Belgium reached 156.5 billion euros, up 4.8%, while off-balance sheet savings rose by 4%. We managed to limit the increase of our operating expenses to 3%. At the same time, we kept the cost of risk well under control. Our CET1 capital ratio of 14% and liquidity ratio of 139% remained very strong, confirming our ability to finance our private and corporate clients during the upswings and downswings of the economic cycle.

We achieved these results in a context of various headwinds: the non-remuneration of mandatory reserves, revenue loss due to the Belgian state bond, the normalisation of used vehicle prices at Arval and lower revenues from market activities servicing clients in Turkey. Excluding the impact of these headwinds, the net banking income of BNP Paribas Fortis would have grown in 2024 compared to 2023.

Throughout the year, we remained fully committed to our customer approach focusing on Growth, Accessibility and Sustainability (GAS). We were successful in strengthening our distribution network and digital service offering for our customers.

We kicked off 2024 with the launch in January of our new Easy Go and Easy Guide packs for our individual clients. Two new subscription formulas, two simple packs with which we want to serve our customers even better by giving them all the opportunity to choose the pack and options they want. Most customers prefer to do everything online and remotely while others like to do things in person at a BNP Paribas Fortis or bpost branch, and some need an appointment with an advisor. With Easy Go and Easy Guide, we respond to each of these needs. Of the more than 3 million active retail customers, more than 2.2 million customers chose the Easy Guide pack, while more than 800,000 customers opted for Easy Go, with fewer than 1% of customers switching since the launch.

This was followed by the successful integration of bpost bank. After many months of intensive preparation on the regulatory, legal, technical and training level, we welcomed the customers and new staff members of the former bpost bank on 22 January 2024. As part of this, we opened 560,000 new packs and transferred three million accounts. The integration of bpost bank bolstered our ambition to be the most accessible bank in Belgium. In BNP Paribas Fortis branches, bpost branches and via our Easy Banking Centre our customers can talk to our experts and find services that stretch beyond banking in areas such as mobility, housing and insurance.

In 2024, the number of active digital users rose to 3 million. The number of sessions on our Easy Banking App increased by 30% year over year, resulting in a record of 1.2 billion customer contacts through the app in 2024. Our app continues to act as our customers' preferred gateway to our products and services and is our most popular channel for customer interactions. In the future, we want the app to evolve even further into a personal virtual assistant for our customers, allowing us to develop new, flexible customer journeys. These will enable us to respond to needs more quickly and offer better general services.

The repayment of the principal of the Belgian government bond in September was an opportunity for us to strengthen and deepen our long-term relationships with our customers. Over the summer months, our staff spent a lot of time talking to our customers to pinpoint their investment expectations and needs. Despite strong competition, our customers have invested more than 8.2 billion euros in our solutions, from term deposit accounts to various off-balance sheet products. By offering them the option of investing in products with a longer term, our customers are better protected against the expected decline in interest rates and therefore the risk of having to reinvest in yields below the current levels.

Like 2023, 2024 was also a year of fierce competition in the home loan market. Although we observed a slight improvement in numbers and volume, they are still 30% below the average for 2021 and 2022. Home loans are one of the focal points of the sustainability component of our strategy, and in this context, we were able to expand our rental and purchase offering at HappyNest. After a successful launch in Flanders in 2023, with around 3,000 potential tenant-buyers, we also launched HappyNest in Wallonia in 2024, in collaboration with Matexi.

In Corporate Banking we maintained our leading position with an integrated approach combining global reach, local knowledge and sectorial expertise, including Private Equity and working capital optimisation in our Transaction Banking businesses.

This annual report is more voluminous than the previous years because we have included Corporate Sustainability Reporting Directive (CSRD) reporting in our report for the first time. In the Sustainability Statements part of the report, we elaborate on our environmental, social and governance policies, the impact of our business activities, and the measures we take to prepare for future challenges in the area of CSR.

We are convinced that an important component to overcome these challenges is to ensure that equal opportunities and diversity are not just words on paper, but a daily commitment, within and outside the bank. Since 2024, seven of the thirteen members of the BNP Paribas Fortis Executive Committee are women. It is also central to our commitment to DigitAll, the ecosystem created by BNP Paribas Fortis to promote digital inclusion in Belgium.

A good example of a DigitAll project we sponsor is MolenGeek, which aims to make technology accessible to everyone, with support for starters from experts in business management, finance, marketing and business development, training courses in artificial intelligence, cybersecurity, coding and digital marketing, and the organisation of technology-related events such as hackathons or start-up weekends. Two years ago, MolenGeek successfully launched the 'Women in Tech' initiative and the share of women as digital starters immediately increased from 30% to 40% over the course of one year.

Customer satisfaction among retail clients, which is measured by the Net Promotor Score (NPS), improved in terms of both relationship and transactional indicators in 2024. The NPS for private banking and corporate clients remained very high, rising even further from a high baseline. This shows our customers' appreciation for our services in 2024 and proves that we are on the right track.

Our commercial and financial performance - in a highly competitive and fast-moving market - gives BNP Paribas Fortis a strong position from which to address new customer trends and expectations as well as technological developments in the best possible way. We received both Euromoney's 'Best Bank in Belgium' and The Banker's 'Bank of the Year' awards for the quality of our service to our customers in 2024. As the leading bank, we will maintain our role in offering a wide range of payment, savings and investment solutions in order to support our customers and the Belgian economy.

We would like to thank our staff members for their efforts and our customers for their continued trust in our bank.

Max Jadot
Chairman of the Board of Directors

Michael Anseeuw
Chief Executive Officer

Economic context

In 2024, the Belgian economy grew by 1%, very similar to the eurozone average. After a sharp slowdown in 2022, resulting from the inflationary shock caused by the war in Ukraine, growth bottomed out in the third quarter of 2023, when GDP rose by only 0.6% on an annualised basis. Since then, the economic situation has improved slightly and growth strengthened each quarter in 2024. Consumer spending was the main growth driver last year, partly because real incomes in Belgium have been maintained by the automatic index-linking of wages since 2022, but also because of high levels of consumer confidence. However, that confidence weakened during the year because of growing concern about the jobs market and the economic outlook in general.

In 2024, business investment was particularly volatile. Although there were several large one-off investments in the early part of the year, growth was otherwise modest in 2024 due to restrictive financial conditions and the gloomy situation in the manufacturing sector. Nevertheless, business investment growth remained positive because of companies investing in digitalisation, as well as efforts to improve productivity and reduce energy consumption. In general, Belgian businesses do not regard current financing conditions, either internal or external, as a barrier to investment. However, economic conditions are less favourable, particularly in the manufacturing sector where demand is weak and production capacity remains significantly underutilised. Some Belgian manufacturers are still having to restructure, while others are facing bankruptcy because of international competition and high energy costs. Since Donald Trump won the US presidential election in November, threats of tariffs on US imports have had a chilling effect on the European economy, worsening the outlook and raising concerns. The business climate has deteriorated rapidly in many countries, including Belgium, which is highly exposed to the economic context in Europe and worldwide.

Belgium's construction industry, which accounts for a large proportion of the country's GDP, had another difficult year, with investment by households falling throughout 2024. Building costs have risen sharply since the inflationary surge of 2022, and interest rates are still higher than before that time. Together, these factors have prompted many people to put their construction projects on hold, while investors have found other opportunities since interest rates started rising.

Surprisingly, the gloom in the construction sector did not prevent residential property prices from rising throughout 2024. Belgium is known for the stability of its real-estate market, and that stability was confirmed last year. Prices have fallen in many countries since interest rates jumped in 2022, but not in Belgium. Overall, prices rose by around 4% in 2024.

Interest rates increased after war broke out in Ukraine in 2022 but fell slightly in 2024, with lower inflation allowing the European Central Bank to cut its official rates four times. However, interest rates are not yet back to where they were before the war in Ukraine, and that war is still having major repercussions in the markets: activity has slowed in the real-estate sector, bankruptcies have risen among the weakest and most indebted companies and there is concern about the deterioration in Belgian's public finances, especially given that the country currently lacks a federal government. The financial markets are expecting further rate cuts in 2025, because inflation appears to be under control in Europe. However, inflation has followed a different path in Belgium compared with the European average: after peaking at almost 10% in 2022, Belgian inflation fell sharply in 2023, reaching a low of less than 1% in October of that year. It then increased again in 2024, rising back above 3% in December. Service price inflation has barely dipped below the 4% level in Europe, which is unhelpful in a country like Belgium, which depends more on services than manufacturing.

In 2024, the Belgian economy faced a depressed international economic environment, with very limited growth in the eurozone economy. Belgium's exports of goods and services fell sharply in 2023 and again in 2024. Imports of goods and services into Belgium also declined significantly throughout last year. As a result, net exports made a negligible contribution to growth, because both imports and exports fell by similar amounts.

Employment rose in Belgium in 2024, but only slightly and by a much smaller degree than had been seen during the post-COVID recovery. A large number of jobs were lost through bankruptcies in 2024, while recruitment was held back by uncertainty about the economic outlook and the sharp rise in nominal wage costs. Recent economic survey results show that companies' hiring intentions were modest in late 2024 in the main sectors of the Belgian economy, with the notable exception of construction which has significant labour shortages judging by the challenges involved in refurbishing existing buildings. Unsurprisingly, Belgium's unemployment rate increased in 2024, rising to 5.8% in December as opposed to its recent low of 5.3% in September 2023.

Finally, the Belgian banking sector continued to play its role in financing the economy, especially among households. In the first 11 months of the year, household lending growth remained stable at around 2% annualised, and total loans outstanding rose to 257 billion euro. As regards businesses, worsening economic conditions since the autumn prompted lenders to take a more cautious approach to granting loans. As of the end of November, total business loans outstanding had fallen to 150 billion euro, down 5% compared with end-2023.

Core Businesses

BNP Paribas Fortis

BNP Paribas Fortis includes an important part of the Commercial, Personal Banking & Services (CPBS) as well as the Corporate & Institutional Banking (CIB) activities of the BNP Paribas Group in Belgium. On 31 December 2024, the bank employed a total of 10,304 FTEs in Belgium.

Commercial & Personal Banking in Belgium

BNP Paribas Fortis' Commercial & Personal Banking activities comprise banking services to a range of client types, including individual customers, self-employed people and those in the liberal professions, small and medium-sized companies, local businesses, corporate clients and non-profit organisations.

BNP Paribas Fortis is the number-one bank for retail customers in Belgium in terms of market share and it has a strong market position among professionals and small businesses. BNP Paribas Fortis is also the leading private bank in Belgium. It ranks number one in Corporate Banking, offering a full range of financial services to corporate clients, public-sector entities and local authorities. With its dedicated teams, BNP Paribas Fortis aims to fund the specific needs of its customers and make an active contribution to the development of the Belgian economy.

BNP Paribas Fortis has a commercial organisation organised in three segments to meet customer expectations more effectively:

- Retail Banking, with 3.4 million customers[1], serves individual customers, self-employed people and small businesses with a multi-disciplinary team;
- Affluent & Private Banking, with 0.36 million active clients, serves individuals with more than 85,000 euros of assets, along with self-employed people and firms in the liberal professions, through dedicated relationship managers. Private Banking services are aimed at individual customers with invested assets of more than 250,000 euros. Within Private Banking, the Wealth Management department caters to customers with invested assets of more than 5 million euros;
- Corporate Banking, with 87,000 clients, serves businesses with more complex needs through dedicated relationship managers. The Enterprises business line serves small and medium-sized businesses while Corporate Coverage handles large corporations, public-sector entities and institutional clients.

BNP Paribas Fortis serves its customers through various networks, as part of a hybrid banking strategy that combines physical branches and digital channels:

- 275 branches (including 120 independent branches) organised into four regions, handling individual customers, self-employed people and small businesses. In addition, there are 182 Fintro branches operated under franchise, and 656 sales points in the bpost post office network;
- 31 dedicated private banking centres including one remote centre and two Wealth Management centres;
- Specialist teams in Brussels dealing with large corporations, public-sector companies and institutional clients, along with a network of 14 Business Centres across Belgium for medium-sized companies and dedicated relationship managers in the branch network for small Corporate Banking customers;

[1] *Excluding Fintro customers.*

- A digital platform comprising online banking services (Easy Banking) and the Easy Banking App (3.25 million active users in total, including Fintro). Easy Banking Business is the online banking platform for businesses and self-employed people. PaxFamilia, a secure platform offering customers tools for managing, monitoring and passing on their wealth, has 32,046 active contracts. This offering is supplemented by digital bank Hello Bank!, which has 557,000 active customers. These digital platforms are constantly improved through active collaborations with fintechs, an example being the development of a high-performance budget management tool with TINK;
- A network of 266 ATMs (including Fintro), supplemented by 1.461 cash machines run by Batopin, a joint venture between BNP Paribas Fortis, KBC, ING and Belfius, each of which owns a 25% stake. Batopin is installing bank-neutral CASH points across Belgium in locations with high customer footfall.

BNP Paribas Fortis makes itself available to its customers through the Easy Banking Centre, which handles up to 70,000 customer calls per week.

The quality of the service BNP Paribas Fortis provides to its customers was acknowledged several times in 2024. The bank was voted 'Best bank in Belgium', 'Best investment bank in Belgium' and 'Belgium's best bank for ESG' by Euromoney, 'Bank of the year in Belgium' by The Banker, and 'Best bank in Belgium' by Global Finance.

Retail Banking

In 2024, Retail Banking officially launched two service models: Easy Go, in which customers' main physical point of contact is a post office branch, and Easy Guide, in which it is a BNP Paribas Fortis branch. For all its customers, Retail Banking continued to pursue its commercial priorities, while focusing on living up to our brand promise of being a trusted partner to our customers.

A more accessible and proactive bank

Throughout 2024, BNP Paribas Fortis continued its efforts to support both individual and business customers, aiming to be more accessible and proactive. Those efforts included:

- supporting our new customers after the integration of bpost bank and BNP Paribas Fortis customers who use post offices by sending them a welcome letter and service guide;
- informing customers about changes in fees and charges relating to Easy Go and Easy Guide pack options that became chargeable in January 2025, via personalised emails and letters addressing each customer's individual situation;
- making contact with customers in a proactive, personalised way via invitations in the retail networks and personalised external communications, i.e. emails and banners in the Easy Banking App and Easy Banking Web. As part of those initiatives, we contacted customers with maturing Belgian 'state bond' savings certificates and looking for customised investment solutions, to help give them the best guidance.

We also clarified information about how to book appointments online by overhauling the structure and content of the Easy Banking Web site and the Easy Banking App.

Protecting our customers, today and tomorrow

As regards insurance and pensions, we concentrated on increasing take-up among individual customers of non-life insurance products such as Top Home, Top Familiale and Top Auto, but also on promoting Homiris, a solution that allows customers to install an alarm system at an attractive price and also entitles them to a discount on their home insurance.

For business customers, we focused on business starters by promoting our Protect Tool, which provides an overview of recommended insurance products based on customers' specific business activity. We also continued our media campaigns about the advantages of Modulis, which combines non-life business insurance policies within a single package – including tailored packs for certain professions that cover their specific business activities – and offers discounts when customers take out several products.

We maintained efforts to encourage customers to take out pension products via customer acquisition campaigns and additional efforts to reach a wider audience via social media. In pensions we focused on optimising contracts and premiums for business customers, ensuring that they receive the largest possible pension according to their current income, while our campaigns for individual customers emphasised digital solutions allowing them to apply for products easily online.

Helping customers move towards a more sustainable futures

To help customers with the transition to a more sustainable world while taking into account their individual needs and financial means, we focused on 'Financial Well Being', offering them financing solutions for works to refurbish and insulate their homes. We also provided specific support for property owners' associations, including a webinar with our experts.

We paid particular attention to customers who are young adults and those in financial difficulties, contacting them proactively in order to offer them appropriate solutions. To do that, we developed and honed predictive data mining models.

Transport was also the theme of a number of campaigns and initiatives to help customers find the most suitable solution taking into account changes in taxation. They involved our subsidiary Arval as well as Touring CarSelect, a new digital platform on which customers can find a wide range of reliable second-hand or in-stock new cars, offered exclusively by approved dealers.

Giving a boost to business starters

In line with the strategy we have been pursuing in the last two years, we continued efforts to help and encourage entrepreneurs setting up their own business. BNP Paribas Fortis has a responsibility to be a driving force in the local economy, particularly by helping young entrepreneurs set up their own businesses. As part of that effort, we finalised a partnership with non-profit MolenGeek, which has bases in Brussels, Antwerp and Charleroi in which it provides training for young people seeking to move into the digital professions. Many of those young people start work as freelancers after completing their training. Through our partnership, MolenGeek offers its students a financial training module and brings BNP Paribas Fortis closer to those young people through links with their local branches.

We developed a major partnership with Partena Professional – a provider of business administration services – to make it easier for entrepreneurs to start a business.

In addition, we continued our media strategy, investing in both the BNP Paribas Fortis and Hello bank! brands, in order to promote our solutions and approaches in an integrated way among pre-starters and starters. We paid close attention to young people by producing videos providing financial advice in a language they can understand and making them available on the social media platforms they use the most.

The bank's marketing and communications aimed at business starters resulted in a bronze Effie Award, which acknowledged the successful positioning of our services through the concept of the 'independent freelancer'.

Focus on investment solutions

The Belgian 'state bond' savings certificate launched in September 2023 proved very popular with investors. The key challenge for our investment activities in 2024 was to convince customers to reinvest the proceeds of their maturing one-year certificates in our products. To achieve that, we held a number of campaigns and our staff informed customers about the various investment options available, depending on their risk tolerance, their ability to tie up their savings for a certain period and their desire to maintain yields while limiting the tax and investment fees they pay. We also offered new products to encourage customers to reinvest with us.

We began to discontinue Investment Advice and Portfolio Advice contracts in 2023, and the process was completed in 2024. They have been replaced with Serenity and IRIS contracts, which offer a better digital experience for customers and our staff because contract set-up and advice largely take place digitally. Customers receive quarterly reports via Easy Banking Web. We contacted customers concerned by the changeover several times in order to discuss it with them.

Affluent & Private Banking

In 2024, we maintained our efforts to build partnerships with our customers and strengthen our position as a trusted financial partner. We completely overhauled the way we onboard Priority Banking customers in light of the new way in which business customers are organised and included within this segment. Customer events such as Expertise Days and an Economic Outlook event were held to build relationships with Priority, Private Banking and Wealth Management customers.

There was a particular focus on strengthening ties with the children of our Wealth Management customers. We launched two programmes in pursuit of that goal. The first was aimed at young people aged 18-24. A series of videos was produced, offering an entertaining introduction to the world of finance with themes such as 'a bank's role in the economy', 'targeted investing' and 'how to start investing'. Older children were invited to two events addressing themes likely to interest them, with the aim of building a community.

Corporate Banking

With its well-developed, diversified and integrated business model and services, the BNP Paribas Fortis Corporate Banking division is well equipped to serve a wide range of clients, including small and medium-sized companies, corporates in Belgium and elsewhere in Europe, financial institutions, institutional investors, public-sector entities and local authorities. Corporate Banking (CB) has an extensive and diversified clientele among large and medium-sized companies and is the market leader in these two categories.

Our Relationship Managers are central to Corporate Banking's relationship model. They can call upon a wide variety of experts in all kinds of banking solutions in order to provide bespoke services to their clients. Within the Corporate Banking division, the Enterprises team serves small and medium-sized companies through a network of 14 Business Centres and a presence across our Belgian branch network. Relationships with large corporates, financial institutions and public-sector entities are handled by dedicated central teams based at our head office in Brussels.

Corporate Banking provides a wide range of specialised solutions and services – both traditional and bespoke – and draws on the BNP Paribas group's international network across more than 60 countries, enabling it to continue meeting the specific financing, transaction, investment and insurance needs of its clients in Belgium and abroad.

A financial partner that helps corporates during uncertain times

In 2024, Corporate Banking continued to play a major role in providing support to the Belgian economy. Our Transaction Banking unit was able to provide robust assistance to clients seeking to navigate supply-chain disruptions brought about by geopolitical events, while our Global Markets specialists helped clients hedge their risks with regard to interest rates, exchange rates and inflation. Our Global Banking teams of experts also helped our clients with mergers and acquisitions as well as strategic financing through both equity and debt. Our Private Equity teams, meanwhile, continued to invest in Belgian companies throughout the year, in line with our 2025 Strategy.

An organisation that adapts to achieve continuous growth

During the year, the Corporate Banking division pursued its roadmap for achieving digital transformation and improving the efficiency of its processes. CB also enhanced its service model by accelerating the rollout of digital features and remote contact channels.

A trusted partner that supports businesses in moving towards more sustainable business models

With its Sustainable Business Competence Centre, Corporate Banking is firmly positioning itself as a Sustainable Corporate Bank. During the year, CB stepped up its efforts to help clients make the transition to more sustainable practices and business models. It also supported them in investing in the transformative projects needed to address the huge challenges of climate change and biodiversity loss, with specific attention to the areas of energy transition, decarbonisation, biochemicals and the circular and regenerative economy. In addition, CB enhanced its expertise regarding the EU Green Deal regulatory framework and in the environmental, social and governance (ESG) field.

In 2024, for the fifth consecutive year, Corporate Banking was named 'Best Investment Bank in Belgium' by *Euromoney*.

Arval

Arval is a major player in long-term vehicle leasing and an expert in mobility solutions. As a specialised business within the Commercial, Personal Banking & Services division of BNP Paribas, Arval is positioned at the heart of the group's integrated model. The company provides bespoke services to meet the needs of its corporate clients, including large multinationals, small and medium-sized enterprises, its partners, their employees, and individuals.

At the end of 2024, Arval had more than 8,500 employees in the 29 countries where it operates. The company leased 1,796,396 vehicles to 400,000 customers, who also have access to a range of alternative mobility solutions, including car sharing, mobility cards, and bicycle rentals.

Arval ranks second overall in the European multi-brand long-term vehicle leasing sector. The company is a market leader in several countries, including Poland, and holds second place in France, Spain, Italy, and Belgium, and third place in the Netherlands [2].

[2] *Source: Frost & Sullivan as of the end of December 2023.*

Arval is the founding member of the Element-Arval Global Alliance. The fleets of all the Alliance's members comprise more than 4.4 million vehicles in 55 countries worldwide.

Arval's CSR strategy was awarded the EcoVadis Platinum medal in 2025, placing it in the top 1% of evaluated companies.

BNP Paribas Leasing Solutions

BNP Paribas Leasing Solutions offers capital-efficient business equipment financing solutions in key sectors including agriculture, construction, transportation, materials handling, ICT, healthcare and green tech. It helps both companies and professionals to develop their businesses by providing them with leasing and financing solutions, together with a range of services designed to meet their specific needs.

The teams of experts at BNP Paribas Leasing Solutions support and assist:

- Equipment manufacturers and business software publishers, providing them with exclusive, comprehensive solutions designed to support and boost the sales achieved by their distribution networks and/or dealerships;
- Distributors, dealers and integrators of business equipment, providing them with sales support solutions plus a wide range of financial products and services designed to meet the needs of their customers;
- Businesses, local authorities, professionals and craftspeople, providing solutions for financing their investments in equipment.

With 70 years of experience, BNP Paribas Leasing Solutions offers market expertise, asset know-how and advisory services to help its partners and clients propel their growth, transform their businesses and make the transition to a low-carbon circular economy.

BNP Paribas Leasing Solutions operates in 17 countries across Europe and Turkey, employing over 3,000 experts. It also offers vendor finance solutions in the USA and Canada in partnership with Bank of Montreal, and in China through Jiangsu Financial Leasing.

In 2024, BNP Paribas Leasing Solutions advanced over 16.3 billion euros in asset finance and presently manages a 40.4 billion euros leased asset portfolio.

BNP Paribas Leasing Solutions works directly with corporate clients, leveraging the extensive BNP Paribas network to offer tailored leasing solutions.

It also works with manufacturers and their distribution networks to provide seamless financing options for their customers.

BGL BNP Paribas

In Luxembourg, BNP Paribas offers a comprehensive range of financial products and services tailored to the needs of all its customers in the country and is the largest employer in the Luxembourg financial sector.

BGL BNP Paribas activities

The **Retail Banking** business line offers its clients (private individuals, professionals and entrepreneurs) a set of products and services ranging from day-to-day banking to financing, as well as savings, insurance and investment products. It has one of the widest ranges of retail banking products in Luxembourg, including private leasing.

BGL BNP Paribas Banque Privée provides clients who live in Luxembourg or the Greater Region with a comprehensive range of customised financial and wealth management solutions.

Wealth Management serves an international client base, in particular business owners and families, helping them meet their specific needs through tailored asset and financial management solutions, in addition to a suite of high-quality services: investment advice, discretionary wealth management, wealth planning and organisation, asset diversification and financing.

Global General Partner SA, a wholly-owned subsidiary of BGL BNP Paribas, is a Luxembourg-based asset management company that was founded in 2014. It supports the strategic development of BNP Wealth Management's alternative investment offering, through private equity, private real estate and private infrastructure funds. Its services are available to all BNP Wealth Management clients worldwide, giving them access to a wide selection of alternative investment funds.

Through its **Corporate Banking** business line, BGL BNP Paribas is Luxembourg's number one banking partner for large corporations, public-sector entities and institutions, social organisations, real-estate businesses and start-ups. The product range is structured around areas such as financing (traditional, project finance, transfers and acquisitions, real estate), trade finance (e.g. letters of credit), cash management (cash pooling, multi-bank cash management tools, cards programs), hedging (exchange rate, interest rate) and escrow accounts. As part of the BNP Paribas Group, BGL BNP Paribas also allows its corporate clients to access all of the Group's specialist business expertise and services.

Corporate and Institutional Banking provides products and services related to the capital and financing markets in Luxembourg to corporate and institutional clients.

BGL BNP Paribas Development was created in 2021 to support Luxembourg businesses by acquiring minority interests in them. By investing directly in unlisted commercial, industrial and technology companies based in Luxembourg, the bank aims to support their organic growth and acquisition plans and to help them with business transfers.

More information about the businesses and history of BGL BNP Paribas is available in the BGL BNP Paribas Annual Report, which is available at https://www.bgl.lu/en/official-documents/financial-results.html

Türk Ekonomi Bankası A.Ş. (TEB)

BNP Paribas Fortis operates in Turkey through TEB, in which it holds a 48.7% stake via TEB Holding and BNP Paribas Fortis Yatırımlar Holding A.Ş. On 30 September 2024, TEB, which provides the full range of BNP Paribas retail products and services in Turkey, was the country's tenth-largest bank in terms of market share in deposits and loans.

Retail Banking

In 2024 TEB acquired more than one million new customers, invested in its digital infrastructure and developed new products to enhance the customer experience. TEB's digital channels prioritised simplifying day-to-day banking and increasing product accessibility. The proportion of customers actively using digital channels rose to 84% by the end of the year, and 68% of new retail customers were digitally onboarded via CEPTETEB Mobile. The CEPTETEB Mobile app was redesigned with a user-friendly interface, QR codes, tracking features, quicker transactions and more visibility for campaigns, while retailer discounts (in CEPTETEB Süper) have improved the customer experience.

CEPTETEB Mobile now offers a more personalised digital experience, with customised areas in which customers can easily and quickly access products and services that match their needs. Personalised interest rates are prominently displayed on the Fixed Deposit Account opening screen to ensure that customers benefit from advantageous interest rates. TEB also introduced the 'payment request' function, giving customers an easy way to track, approve or reject incoming payment requests through CEPTETEB Mobile, and to monitor all past payment transactions.

The Marifetli account is a daily term account which allows capital and interest to be reinvested each day. TEB offered attractive welcome interest rates to its Marifetli clients throughout the year, resulting in a 229% increase in deposits in 2024 and a market share of more than 20% in the third quarter of 2024.

Individual clients who want to invest have a choice between 44 different customised TEB Portfolio Investment Funds in all asset classes and in three currencies (TRY, USD and EUR).

TEB Retail Banking also focuses on certain occupational groups. With its dedicated service and package for lawyers, for example, TEB achieved a market share of 21% among active lawyers in 2024.

To examine customer expectations and identify areas for improvement, TEB conducted customer relationship surveys targeting more than 500,000 customers, and processed more than 200,000 responses. TEB achieved second place in the countrywide Benchmark NPS (Net Promoter Score) survey among its peer group, hitting its target of a top three position. This yearly NPS survey consists of face-to-face interviews during which customers are asked how likely they are to recommend their bank to their friends and family.

TEB continued its sustainability campaigns with its various partners, across four themes: transport, the circular economy, the environment, and social responsibility. As in previous years, a portion of the income generated through the CEPTETEB Marifetli account was donated to globally recognised organisations that make sustainability efforts as part of the '1% for the Planet' initiative.

Private Banking

TEB Private Banking continued to develop its Angel Investment Platform, which is designed to offer clients advisory services that include alternative investment products and innovative ideas. The platform brings entrepreneurs and potential investors together at face-to-face client events, helping to raise mutual awareness and unlock business potential. TEB also launched 'E-Private services' for Private Banking clients who only use the digital channel. Services include regular updates about financial markets from experienced advisors.

In 2024, TEB Private Banking won several prestigious awards, including 'Most Innovative Private Banking in Turkey' from International Finance and 'Best Private Bank in Turkey' for the sixth time at the World Finance Banking Awards.

SME Banking

TEB's SME banking approach follows the BNP Paribas group's Growth, Technology and Sustainability (GTS) approach. TEB is seeking growth by increasing its market share, with a special focus on high-quality assets, collateralised and secured loans, local government banking and start-up banking. Greater automation, process optimisation and digitalisation are harnessed to create more effective and comprehensive digital tools and services. TEB's multi-award-winning mobile app, CEPTETEB İŞTE, provides quick and easy financial transactions for SMEs, Corporate and Business customers. CEPTETEB İŞTE gives customers an easy way to carry out their day-to-day banking, cash management and investment transactions through digital channels without having to visit a branch.

As regards sustainable finance, TEB offers financing solutions to SMEs and municipalities for the financing of green projects in areas such as renewable energy, energy efficiency, circular economy, waste management and renewal projects to reduce carbon emissions.

TEB uses a 'consultant banking' approach for its SME banking activities, offering tailor-made financial and non-financial products and services, including foreign trade services, derivatives, supplier financing and support for SMEs in their efforts to gain a competitive advantage over their domestic and global peers by helping them with their business management. Since 2008, TEB has provided a consulting service (SME Consultants), which analyses SMEs not only from a financial perspective but also in terms of their production methods, sales and marketing, organisational structure, management strategy and human resources.

TEB also provides SMEs with innovative financing instruments that enable them to achieve both economic and environmental sustainability. As part of that service, TEB has launched the Sustainability Finance Product Package, which includes special offers on products, to help SMEs minimise their environmental footprint while growing their businesses.

In 2024 TEB launched an SME Digital Transformation Financing Programme in conjunction with KOSGEB (a government institution that provides support to entrepreneurs and SMEs) and the European Bank for Reconstruction and Development (EBRD). The programme aims to help SMEs with their digital transformation processes. Together with the funds provided under this programme, SMEs were informed about how digitalisation can help them increase productivity and competitiveness and improve their business processes at meetings held in industrial zones and chambers of industry and commerce.

TEB offers alternative financing solutions as part of its Global Trade Solutions. Through ongoing co-operation with Turkey's Export Development Corporation (İhracatı Geliştirme A.Ş. or İGE), loans with an 80% İGE guarantee were provided to exporting SMEs in need of collateral, making it easier for SMEs to access financing and significantly contributing to Turkey's foreign trade.

TEB Start-up Business Banking was launched in 2013 and has matched hundreds of start-ups with corporates, bringing them together at demonstration events, conferences and special Start-up to Corporate (S2C) events aimed at finding collaboration opportunities.

TEB has also extended its matchmaking efforts to the internet and created the online platform startteb.com to inspire, connect and match technology start-ups, SMEs, innovative corporates and investors. On the platform, start-ups offer their products and services while corporates post their projects and needs, allowing each side to identify potential collaborations. The bank has also established TEB Start-up Houses: the first was set up in 2013 in Istanbul and two years later, more were established in seven other large cities, in conjunction with the Turkish Exporters Assembly TİM. At these TİM-TEB Start-up Houses, start-ups and technology companies have access to consulting, mentorship and networking services as well as the opportunity to meet with potential investors and customers. As the end of 2024, the total number of start-ups supported by the TİM-TEB Start-up Houses had reached 2,200.

Corporate Banking

TEB Corporate and Corporate Investment Banking offers products and services to medium and large companies, both domestic and international, conglomerates and holding companies with an annual turnover of over TRY 1.2bn. Services include investment and working capital loans, trade finance, structured finance and cash management, as well as currency, interest-rate and commodity risk hedging. Those services are provided through 11 corporate branches, five of which are in İstanbul, including dedicated business centres for multinational corporations, large conglomerates and holding companies.

Changes in the scope of consolidation

Information on the changes in the scope of consolidation is provided in note 7.b 'Business combinations and other changes of the consolidation scope' and note 7.k 'Scope of consolidation'.

BNP Paribas Fortis credit ratings at 18/02/2025

	Long-term	Outlook	Short-term
Standard & Poor's	A+	Stable outlook	A-1
Moody's	A2	Stable outlook	P-1
Fitch Ratings	AA-	Stable outlook	F1+

The table above shows the main BNP Paribas Fortis credit ratings and outlook on 18 February 2025.

Each of these ratings reflects the view of the rating agency specifically at the moment when the rating was issued; any explanation of the significance of a given rating is to be obtained from the rating agency which issued it.

Forward-looking Statements

It should be noted that any statement of future expectations and other forward-looking elements are based on the company's current views and assumptions including a certain degree of risk and uncertainty, especially given the current general economic and market conditions.

Comments on the evolution of the results

BNP Paribas Fortis realised a consolidated **net income attibuable to equity holders** of 2,919 million euros in 2024, compared to 3,095 million euros in 2024, down by (176) million euros or (6%).

Please note that the comments in the present section have been written by referring to the financial statements and the respective notes. For a business oriented analysis, please refer to the Press Release of BNP Paribas Fortis available on the corporate website. This analysis focuses on the underlying evolution, which excludes scope changes (acquisition, sale and transfer of activities), foreign exchange impacts and one-off results. By excluding these effects, BNP Paribas Fortis showed a decreasing underlying net income attributable to equity holders by (6%) compared to 2023. In the comments in the present section, we will refer to the scope changes and foreign exchange impacts when deemed necessary.

Operating income amounted to 4,262 million euros in 2024, down by (513) million euros or (11%) compared to 4,775 million euros in 2023. The decrease was the result of slightly lower revenues by (259) million euros or (2%), higher costs by (144) million euros or 3% and an increase in the cost of risk by (110) million euros.

Non-operating items (share of earnings of equity-method entities, net gain on non-current assets and goodwill) were down by (65) million euros. The corporate income tax decreased by 322 million euros and the minority interests decreased by (80) million euros.

The comparison between the 2024 and 2023 results was impacted by the following elements:

- few scope changes, including mainly (1) the acquisition and full consolidation of Creation Financial Services and Creation Consumer Finance, acquired by Alpha Credit, as from 1st April 2023, (2) the sale of BNP Paribas Factor GmbH as from the first quarter of 2024.
- foreign exchange variations, mostly the depreciation of the Turkish lira against euro (from 32.6 EUR/TRY in Q4 of 2023 to 36.6 EUR/TRY in Q4 of 2024).

Based on the segment information, 42% of the revenues were generated by banking activities in Belgium (mainly BNP Paribas Fortis and other legal entities of Commercial & Personal Banking), 35% by Arval & Leasing Solutions, 9% by banking activities in Luxembourg (mainly BGL BNP Paribas) and 9% by banking activities in Turkey (mainly Turk Ekonomi Bankasi ("TEB")).

Net interest income reached 4,706 million euros in 2024, a decrease of (51) million euros or (1%) compared to 2023. Excluding the scope changes (48 million euros) and the foreign exchange effect ((27) million euros), the net interest income decreased by (72) million euros.

In banking activities in Belgium, the net interest income decreased mainly impacted by a strong pressure on margins on loans (despite increasing volumes), lower margins on deposits with lower deposit volumes (driven by the negative impact of the issuance of a Belgian government bond in the third quarter of 2023), and the non-remuneration of the mandatory reserves, partly mitigated by the one-off impact of the loss on the TLTRO hedging swap in the first half of 2023. In banking activities in Luxembourg, the net interest income increased slightly thanks to higher margins on deposits and despite lower volumes. In banking activities in Turkey, the net interest income increased driven by higher volumes on deposits and on loans despite lower commercial margins. At Arval, there was an overall decrease in the net interest income driven by the increasing interest expenses (while most of its revenues are posted in the 'net income from other activities'); the net interest income increased at Leasing Solutions thanks to the volume and business growth at higher margins.

Net commission income amounted to 1,571 million euros in 2024, up by 132 million euros or 9% compared to 2023. Excluding the scope changes ((5 million euros) and the foreign exchange effect ((13) million euros), net commission income increased by 150 million euros.

In banking activities in Belgium, the net commissions slightly decreased with higher financial fees and lower banking fees. The net commissions increased in all other segments, except at Leasing Solutions, with a strong increase in banking activities in Turkey.

Net results on financial instruments at fair value through profit or loss stood at 41 million euros in 2024, down by (477) million euros compared to 2023. Excluding the foreign exchange effect ((47) million euros), net results on financial instruments at fair value through profit or loss decreased by (430) million euros.

The decrease was mainly driven by the banking activities in Turkey, with lower revenues from market activities servicing clients and compared with very high results in 2023 during which the market activities benefited from a context of high volatility in currency exchange rates and interest rates, exacerbated by the presidential elections of mid-2023.

Net results on financial instruments at fair value through equity remained stable at 20 million euros in 2024 and 2023 respectively.

Net results on the derecognition of financial assets at amortised cost amounted to (4) million euros in 2024, decreasing by (67) million euros compared to 2023 mainly due to gains realised in 2023 arising from the sale of government bonds in banking activities in Belgium and Turkey.

Net income from insurance activities totalled 70 million euros in 2024 compared to 68 million euros in 2023.

Net income from other activities totalled 3,888 million euros in 2024, increasing by 202 million euros or 5% compared to 2023.

The main contributor remained Arval thanks to results supported by a further robust expansion of the financed fleet (+5.6%). However, this increase was more than compensated by a decrease of revenues on used cars impacted by the used car prices' normalisation and the increase of the financing costs posted in the 'net interest income'.

Operating expenses amounted to (5,236) million euros in 2024, increasing by (115) million euros or 2% compared to 2023. Excluding the scope changes ((18) million euros) and the foreign exchange effect (47million euros), there was an increase of (144) million euros.

The staff expenses were higher, with the impact of inflation, especially in banking activities in Turkey still in hyperinflation. The increase in other operating expenses was more contained and mainly attributable to the development of the activities combined with the impact of the inflation. In banking activities in Belgium and Luxembourg, the increase in operating expenses was compensated by a decrease in the banking taxes.

Depreciation charges stood at (404) million euros in 2024 compared to (375) million euros in 2023, i.e. an increase of (29) million euros.

Cost of risk totalled (390) million euros in 2024, i.e. an increase of (110) million euros compared to 2023. Excluding the scope changes ((30) million euros) and the foreign exchange effect ((5) million euros), there was an increase of (75) million euros.

In banking activities in Belgium and in Luxembourg, the cost of risk decreased, with an overall net release in 2024, mainly thanks to lower stage 1 and 2 provisions that more than compensated the evolution of specific files in stage 3. The cost of risk increased at Arval & Leasing Solutions driven by higher provisions in stage 3 partly offset by net releases of provisions in stage 1 and 2. In banking activities in Turkey, the increase is due to higher stage 3 provisions.

Share of earnings of equity-method entities amounted to 465 million euros in 2024, compared to 311 million euros during 2023.

The increase was mainly attributable to higher results at BNP Paribas Bank Polska and at BNP Paribas Asset Management partly offset by lower results at AG Insurance.

Net gain or loss on non-current assets amounted to (281) million euros in 2024 compared to (62) million euros during 2023.

The decrease was mainly driven by the banking activities in Turkey and at Arval & leasing Solutions and explained by the application of IAS 29. According to IAS 29 in connection with the hyperinflation situation of the economy in Turkey, the line Results from monetary positions reported in Net gain or loss on non-current assets mainly includes the effect of the evolution of the consumer price index in Turkey on the valuation of non-monetary assets and liabilities and accrued income from the Turkish government bonds portfolio indexed on inflation and held by TEB.

Corporate income tax in 2024 totalled (1,160) million euros compared to (1,482) million euros, a decrease of 322 million euros. Excluding the share of earnings of equity-method entities (reported net of income taxes), the effective tax rate stood at 29% in 2024 compared to 31% in 2023.

Net income attribuable to minority interests amounted 367 million euros in 2024, compared to 447 million euros in 2023.

Comments on the evolution of the balance sheet

The **total balance sheet** of BNP Paribas Fortis amounted to 379.8 billion euros as at 31 December 2024, up by 5.9 billion euros or 2% compared with 373.9 billion euros as at 31 December 2023.

Based on the segment information, 62% of the assets were contributed by banking activities in Belgium, 21% by Arval & Leasing Solutions, 8% by banking activities in Luxembourg, and 5% by banking activities in Turkey.

Assets

Cash and amounts due from central banks amounted to 26.5 billion euros, decreased by (11.9) billion euros compared to 31 December 2023, with a decrease driven by banking activities in Belgium and Luxembourg in overnight deposits at the National Banks.

Financial instruments at fair value through profit or loss stood at 11.0 billion euros, up by 1.6 billion euros compared to 31 December 2023. The increase was mainly driven by an increase in the reverse repos activity in banking activities in Belgium.

Derivatives used for hedging purposes decreased by (1.0) billion euros and amounted to 4.4 billion euros. The derivatives used for hedging purposes on the liability side decreased by (1.0) billion euros and amounted to 7.3 billion euros.

Financial assets at fair value through Other Comprehensive Income amounted to 13.0 billion euros as at 31 December 2024, up by 2.2 billion euros compared with 10.8 billion euros at 31 December 2023.

Financial assets at amortised cost amounted to 264.0 billion euros as at 31 December 2024, up by 13.1 billion euros compared with 250.9 billion euros at 31 December 2023.

'Loans and advances to customers' amounted to 228.8 billion euros, up by 9.5 billion euros. In banking activities in Belgium, the increase was mainly related to term loans and to a lesser extent mortgage and consumer loans. Loans and advances to customers also increased in all other segments mainly driven by the growth in banking activities in Turkey especially with the increase in term loans, and by consumer loans in the segment 'Other'.

In addition, 'Loans and advances to credit institutions' increased by 0.8 billion euros.

Debt securities at amortised cost increased by 2.8 billion euros especially in banking activities in Belgium related to acquisitions of government bonds.

Remeasurement adjustment on interest-rate risk hedged portfolios amounted to (0.5) billion euros compared to (0.8) billion euros at 31 December 2023. This evolution is mainly in banking activities in Belgium and in relation with the evolution of interest rates.

Investments and other assets related to insurance activities amounted to 0.5 billion euros, up by 0.2 billion euros compared to 0.3 billion euros at 31 December 2023.

Current and deferred tax assets amounted to 0.8 billion euros, down by (0.3) billion euros compared to 1.1 billion euros at 31 December 2023.

Accrued income and other assets stood at 13.5 billion euros as at 31 December 2024, decreased by (0.2) billion euros compared to 13.7 billion euros at 31 December 2023.

Equity-method investments amounted to 3.1 billion euros, up by 0.5 billion euros compared to 2.6 billion euros at 31 December 2023.

Property, plant and equipment and Investment property amounted to 42.0 billion euros as at 31 December 2024, up by 5.5 billion euros compared to 36.5 billion euros at 31 December 2023, mainly related to the growth of the financed fleet at Arval.

Assets held for sale and Liabilities associated with assets held for sale, respectively, amounted to 0.0 billion euros as at 31 December 2024 compared to 4.0 billion euros at 31 December 2023. The amount as at 31 December 2023 was related to the assets and liabilities of the entity BNP Paribas Factor GmbH, which was a fully owned subsidiary of BNP Paribas Fortis Factor NV. The sale of the entity BNP Paribas Factor GmbH was completed during the first quarter of 2024.

Liabilities and Equity

Deposits from central banks stood at 2.0 billion euros, stable compared to 31 December 2023.

Financial instruments at fair value through profit or loss decreased by (2.4) billion euros, totalling 18.9 billion euros as at 31 December 2024 compared to 21.3 billion euros at 31 December 2023. The decrease is mainly explained by the repos activity evolution in banking activities in Belgium.

Financial liabilities at amortised cost amounted to 303.9 billion euros as at 31 December 2024, up by 11.1 billion euros compared to 292.8 billion euros at 31 December 2023.

'Deposits from customers' stood at 212.9 billion euros, up by 9.0 billion euros compared to 203.9 billion euros at 31 December 2023. There was an increase in banking activities in Belgium, mostly attributable to an increase in the term deposits and an increase in banking activities in Turkey with an increase in the demand deposits and term deposits.

'Deposits from credit institutions' increased by 0.5 billion euros mainly driven by an increase of interbank borrowings offset by a decrease in Repos.

'Debt securities' decreased by (3) billion euros, mainly due to decrease in Arval partly offset by the issuance of debt securities in banking activities in Belgium.

'Subordinated debt' stood at 6.9 billion euros as at 31 December 2024, up by 4.7 billion compared to 2.2 billion euros at 31 December 2023. The increase is mainly due to the issuance of Tier 2 instruments in banking activities in Belgium.

Remeasurement adjustment on interest-rate risk hedged portfolios amounted to (3.0) billion euros compared to (3.9) billion euros at 31 December 2023. This evolution was in banking activities in Belgium due to the evolution of interest rates.

Current and deferred tax liabilities amounted to 1.5 billion euros as at 31 December 2024, compared to 1.4 billion euros as at 31 December 2023.

Accrued expenses and other liabilities stood at 10.5 billion euros as at 31 December 2024, down by (1.8) billion euros compared to 12.3 billion euros at 31 December 2023. The decrease in accrued expenses and other liabilities is due to the banking activities in Belgium.

Liabilities related to insurance contracts amounted to 0.3 billion euros as at 31 December 2024 stable compared to 31 December 2023.

Provisions for contingencies and charges came in at 3.6 billion euros, decreased by (0.7) billion euros compared with the 4.3 billion euros at 31 December 2023. The decrease is mainly driven by Arval, in relation with the reversal of provisions for uncertainty on the residual value of vehicles.

Shareholders' equity amounted to 28.8 billion euros as at 31 December 2024, up by 3.4 billion euros compared with 25.4 billion euros at 31 December 2023. Share capital and Retained earnings increased by 3.1 billion euros. Share capital increased due to the issuance of additional perpetual Tier 1 floating rate notes of 3 billion euros. Retained earnings were mainly impacted by the net income attributable to shareholders for the year 2024 which contributed for 2.9 billion euros and by the dividend distributed by BNP Paribas Fortis in this first half of the year of 2024 amounting to (2.8) billion euros.

Minority interests stood at 6.1 billion euros as at 31 December 2024 compared to 5.8 billion euros as at 31 December 2023.

Liquidity and solvency

BNP Paribas Fortis' liquidity remained sound, with customer deposits standing at 213 billion euros and customer loans at 229 billion euros.

Customer deposits consist of the 'due to customers' figure excluding 'repurchase agreements'. Customer loans are loans and receivables due from customers excluding 'debt securities at amortised cost' and 'reverse repurchase agreements'.

BNP Paribas Fortis' solvency stood well above the minimum regulatory requirements. At 31 December 2024, BNP Paribas Fortis' Basel III Common Equity Tier 1 ratio (CET1 ratio) stood at 14.0%. Total risk-weighted assets amounted to 172.5 billion euros at 31 December 2024, of which 145.6 billion euros are related to credit risk, 2.0 billion euros to market risk and 13.2 billion euros to operational risk, while counterparty risk, securitisation and equity risk worked out at 1.8 billion euros, 0.8 billion euros and 9.1 euros billion respectively.

Principal risks and uncertainties

BNP Paribas Fortis' activities are exposed to a number of risks, such as credit risk, market risk, liquidity risk and operational risk. To ensure that these risks are identified and adequately controlled and managed, the bank adheres to a number of internal control procedures and refers to a whole array of risk indicators, which are further described in the Chapter 'Risk management and capital adequacy' of the BNP Paribas Fortis consolidated financial statements 2024 and in the BNP Paribas Fortis 'Pillar 3 disclosure' 2024.

BNP Paribas Fortis is involved as a defendant in various claims, disputes and legal proceedings in Belgium and in some foreign jurisdictions, arising in the ordinary course of its banking business, as further described in note 7.a 'Contingent liabilities: legal proceedings and arbitration' to the BNP Paribas Fortis consolidated Financial Statements 2024.

Statement of the Board of Directors

The Board of Directors of BNP Paribas Fortis is responsible for preparing the BNP Paribas Fortis consolidated financial statements as at 31 December 2024 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the BNP Paribas Fortis non-consolidated financial statements as at 31 December 2024 in accordance with rules laid down in the Belgian Royal Decree of 23 September 1992 on the annual accounts of credit institutions.

The Board of Directors reviewed the BNP Paribas Fortis consolidated and non-consolidated financial statements on 13 March 2025 and authorised their issue.

The Board of Directors of BNP Paribas Fortis declares that, to the best of its knowledge, the BNP Paribas Fortis consolidated financial statements and the BNP Paribas Fortis non-consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of BNP Paribas Fortis and the undertakings included in the consolidation and that the information herein contains no omissions likely to modify significantly the scope of any statements made.

The Board of Directors of BNP Paribas Fortis also declares that, to the best of its knowledge, the report of the Board of Directors includes a fair review of the development, results and position of BNP Paribas Fortis and the undertakings included in the consolidation, together with a description of the principal risks and uncertainties with which they are confronted.

The BNP Paribas Fortis consolidated financial statements and the BNP Paribas Fortis non-consolidated financial statements as at 31 December 2024 will be submitted to the annual General Meeting of Shareholders for information and for approval on 24 April 2025.

Brussels, 13 March 2025

The Board of Directors of BNP Paribas Fortis

Corporate Governance Statement

BNP Paribas Fortis complies with the '2020 Belgian Code on Corporate Governance' (hereafter referred to as the 'Code'). The Code can be consulted on https://www.corporategovernancecommittee.be/en.

1. Compliance with the Code

BNP Paribas Fortis is of the opinion that it complies with the large majority of the requirements of the Code. The main remaining deviation relates to principle 8 of the Code "The company shall treat all shareholders equally and respect their rights". The reason that makes the company unable to comply with all the provisions of principle 8 of the Code lies within the structure of the shareholdership of BNP Paribas Fortis. Specifically, BNP Paribas SA, a public limited company ('société anonyme'/'naamloze vennootschap'), having its registered office address at Boulevard des Italiens 16, 75009 Paris, France, registered under number 662 042 449 RCS Paris, holds 99.94% of the shares of BNP Paribas Fortis. The remaining 0.06% of the shares is held by minority shareholders. Nevertheless, BNP Paribas Fortis communicates on an ongoing basis with its various stakeholders through its website and other media and actively answers to the questions raised by its minority shareholders in the framework of the general shareholders' meetings.

BNP Paribas Fortis' Corporate Governance Charter is available on its public website.

BNP Paribas SA itself is a Euronext-listed company, which implies that BNP Paribas Fortis, its directors and its staff, must take into account certain legal provisions on the disclosure of sensitive information to the market. The Board of Directors of BNP Paribas Fortis is anyway determined to protect the interests of all shareholders of BNP Paribas Fortis at all times and will provide them with the necessary information and facilities to exercise their rights, in compliance with the Code on companies and associations.

BNP Paribas Fortis did not receive any transparency declarations within the meaning of the Law of 2 May 2007 on the disclosure of significant shareholdings.

2. Governing bodies

Board of Directors

Role and responsibilities

In general, the Board of Directors is responsible for BNP Paribas Fortis in accordance with the applicable law. In particular, and in accordance with article 23 of the law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms (the 'Banking Law'), the Board of Directors defines and supervises among others:

- the strategy and goals of BNP Paribas Fortis;
- the risk policy (including the risk tolerance) of BNP Paribas Fortis;
- the organization of BNP Paribas Fortis for the provision of investment services and activities;
- the integrity policies;
- the BNP Paribas Fortis' Internal Governance Memorandum, Corporate Governance Charter and the Policy on Suitability assessments;
- the Remuneration policy; and
- the financial reporting.

Size and membership criteria

The Board of Directors of BNP Paribas Fortis consists of no less than five (5) and no more than thirty-five (35) directors (legal persons cannot be members of the Board of Directors). Directors are appointed for one (1) or more renewable periods, each individual period covering no more than four (4) full accounting years of BNP Paribas Fortis.

The composition of the Board of Directors of BNP Paribas Fortis has to be balanced in terms of (i) skills and competences, (ii) gender, (iii) age, and (iv) executive and non-executive directors, whether independent or not. The Board of Directors cannot consist of a majority of executive directors.

As at 13 March 2025, the Board of Directors of BNP Paribas Fortis is made up of fifteen (15) members, six (6) of which are women.

It moreover includes ten (10) non-executive directors, four (4) of them being independent directors within the meaning of the Banking law and five (5) executive directors.

All directors must at all times be fit ('passende deskundigheid'/'expertise adéquate') and proper ('professionele betrouwbaarheid'//'honorabilité professionelle') for the exercise of their function. All are preselected and assessed based on a predefined list of selection criteria. In general, a director is considered to be 'fit' if he has the knowledge, experience, skills and professional behaviour suitable for the exercise of his director's mandate. A director is considered to be 'proper' if there are no elements suggesting differently and if there is no reason to question the reputation of the concerned director.

BNP Paribas Fortis will assess and determine the suitability of each nominee director (including in case of a mandate renewal) prior to his (re-)appointment. BNP Paribas Fortis will assess all directors continuously during their directorship, at least once a year at the occasion of the periodic suitability assessment, and every time a new element requires so.

The decision is subject to a separate suitability assessment, performed by the competent supervisor.

Composition

As at 13 March 2025, the composition of the Board of Directors is as follows:

JADOT Maxime
Chairman of the Board of Directors. Non-executive director.
Member of the Board of Directors since 13 January 2011.
The current board member mandate has been renewed on 20 April 2023. It will expire at the end of the 2027 annual general meeting of shareholders.

ANSEEUW Michael
Chairman of the Executive Board. Executive director.
Member of the Board of Directors since 19 April 2018.
The current board member mandate has been renewed on 21 April 2022. It will expire at the end of the 2026 annual general meeting of shareholders.

BEAUVOIS Didier
Non-executive director.[3]
Member of the Board of Directors since 12 June 2014.
The current board member mandate has been renewed on 20 April 2023.
It will expire at the end of the 2027 annual general meeting of shareholders.

BORDENAVE Philippe
Vice-chairman of the Board of Directors and non-executive director.
Member of the Board of Directors since 20 April 2023.
The board member mandate will expire at the end of the 2027 annual general meeting of shareholders.

de CLERCK Daniel
Executive director.
Member of the Board of Directors since 12 December 2019.
The current board member mandate has been renewed on 20 April 2023.
It will expire at the end of the 2027 annual general meeting of shareholders.

de l'ESCAILLE Laurence
Independent non-executive director. Member of the Board of Directors since 18 April 2024. The board member mandate will expire at the end of the 2028 annual general meeting of shareholders.

DE PLOEY Wouter
Independent non-executive director.
Member of the Board of Directors since 1 December 2022.
The current board member mandate has been confirmed and renewed on 20 April 2023.
It will expire at the end of the 2026 annual general meeting of shareholders.

[3] *Subject to the relevant authority's approval.*

HARTMANN Nathalie
Non-executive director.
Member of the Board of Directors since 20 April 2023.
The board member mandate will expire at the end of the 2027 annual general meeting of shareholders.

LECLERCQ Anne
Independent non-executive director.
Member of the Board of Directors since 21 April 2022.
The board member mandate will expire at the end of the 2026 annual general meeting of shareholders.

MERLO Sofia
Non-executive director.
Member of the Board of Directors since 21 April 2016.
The current board member mandate has been renewed on 18 April 2024.
It will expire at the end of the 2028 annual general meeting of shareholders.

VAN AKEN Piet
Executive director.
Member of the Board of Directors since 3 June 2016.
The current board member mandate has been renewed on 18 April 2024. It will expire at the end of the 2028 annual general meeting of shareholders.

VAN WAEYENBERGE Titia
Independent non-executive director.
Member of the Board of Directors since 18 April 2019.
The current board member mandate has been renewed on 20 April 2023. It will expire at the end of the 2027 annual general meeting of shareholders.

VARÈNE Thierry
Non-executive director.
Member of the Board of Directors since 14 May 2009.
The current board member mandate has been renewed on 18 April 2024. It will expire at the end of the 2028 annual general meeting of shareholders.

VERMEIRE Stéphane
Executive director. Member of the Board of Directors since 19 April 2018. The current board member mandate has been renewed on 21 April 2022.
It will expire at the end of the 2026 annual general meeting of shareholders.

WILIKENS Sandra
Executive director.
Member of the Board of Directors since 21 April 2022.
The board member mandate will expire at the end of the 2026 annual general meeting of shareholders.

Between 1 January 2024 and 31 December 2024, the composition of the Board of Directors was as follows:

JADOT, Maxime
Chairman of the Board of Directors

ANSEEUW, Michael
Executive director and chairman of the Executive Board

d'ASPREMONT LYNDEN, Antoinette
Independent non-executive director until 18 April 2024

AUBERNON, Dominique
Non-executive director until 18 April 2024

BEAUVOIS, Didier[4]
Executive director until 1 November 2024, non-executive director since that date

BOOGMANS, Dirk
Independent non-executive director until 18 April 2024

BORDENAVE, Philippe
Non-executive director and vice-president of the Board of Directors

de CLERCK, Daniel
Executive director

de l'ESCAILLE, Laurence
Independent non-executive director since 18 April 2024

DE PLOEY, Wouter
Independent non-executive director

HARTMANN, Nathalie
Non-executive director

LECLERCQ, Anne
Independent non-executive director

4 *Subject to the relevant authority's approval.*

MERLO, Sofia
Non-executive director

VAN AKEN, Piet
Executive director

VAN WAEYENBERGE, Titia
Independent non-executive director

VARÈNE, Thierry
Non-executive director

VERMEIRE, Stéphane
Executive director

WILIKENS, Sandra
Executive director

Attendance at meetings

The Board of Directors held eighteen (18) meetings in 2024. Attendance at these meetings was as follows:

Director	Number of meetings attended
JADOT, Maxime	15
ANSEEUW, Michael	18
d'ASPREMONT LYNDEN, Antoinette (until April 18, 2024)	6
AUBERNON, Dominique (until April 18, 2024)	6
BEAUVOIS, Didier	17
BOOGMANS, Dirk (until April 18, 2024)	6
BORDENAVE, Philippe	17
de CLERCK, Daniel	17
de l'ESCAILLE, Laurence (since April 18, 2024)	12
DE PLOEY, Wouter	17
HARTMANN, Nathalie	16
LECLERCQ, Anne	17
MERLO, Sofia	14
VAN AKEN, Piet	17
VAN WAEYENBERGE, Titia	17
VARENE, Thierry	16
VERMEIRE, Stéphane	17
WILIKENS, Sandra	18

Assessment of the Board of Directors and of the directors

At least once a year, the Governance and Nomination Committee and the Board of Directors perform an evaluation of the Board of Directors and of all directors. At the occasion of this evaluation, any element that may impact the suitability assessment performed previously, as well as the time dedicated and the efforts delivered to perform one's mandate properly, is reviewed. As part of this annual evaluation, recommendations on how to manage and resolve any identified weaknesses are formulated.

The last evaluation process of the Board of Directors ended in October 2024 and the one of the directors individually ended in February 2025.

Remuneration

Information regarding the total remuneration for the corporate year 2024, including the remunerations, benefits in kind and pension plans, of all directors, paid and payable by BNP Paribas Fortis, can be found in note 7.g 'Compensation and benefits awarded to BNP Paribas Fortis' corporate officers' to the BNP Paribas Fortis Consolidated Financial Statements.

Executive Board

Role and responsibilities

In accordance with article 24 of the Banking Law and article 21 of the Articles of association of BNP Paribas Fortis, the Board of Directors has set up an Executive Board ('*Directiecomité*'/'*Comité de Direction*'). The members of the Executive Board are hereafter referred to as the 'executive directors'.

Size and membership criteria

The Executive Board is exclusively composed out of executive directors of BNP Paribas Fortis. Taking into account article 24, §2 of the Banking Law, the total number of members of the Executive Board must be inferior to half of the total number of directors. In addition, the Executive Board must keep the number of its members within limits, ensuring that it operates effectively and with the requisite flexibility.

Since all members of the Executive Board are to be considered as effective leaders, certain suitability criteria apply in addition to the suitability criteria generally imposed upon directors. The decision whether or not to appoint a member of the Executive Board belongs to the competence of the Board of

Directors. It will rely on a recommendation of the Governance and Nomination Committee. The decision will be subject to a separate suitability assessment subsequently performed by the competent supervisor.

Composition

As at 13 March 2025, the composition of the Executive Board is as follows:

ANSEEUW Michael
Executive director and chairman of the Executive Board

de CLERCK Daniel
Executive director

VAN AKEN Piet
Executive director

VERMEIRE Stéphane
Executive director

WILIKENS Sandra
Executive director

Other Board of Directors' committees

Article 27 of the Banking Law provides that the Board of Directors must set up four (4) board committees: an audit committee, a risk committee, a remuneration committee and a nomination committee.

The existence of these committees does not in any way impinge upon the Board's right to set up further ad hoc committees to deal with specific matters, as and when the need arises.

The Board of Directors has used this right to set up a.o. an ad hoc board committee composed of three (3) directors and chaired by an independent director to assess, if and when necessary, whether an intended transaction falls within the scope of article 72 of the Banking Law and ascertain that the requirements of said article are complied with.

This right is also used by the Board of Directors when, in the context of intra-group transactions, it sets up a special board committee in accordance with its internal corporate governance policies (for more information reference is made to the chapter 'Information regarding related party transactions').

Each board committee has an advisory function towards the Board of Directors.

Besides the ad hoc committee that convenes within the framework of article 72 of the Banking Law and of which the Chief Risk Officer is a member while being an executive director, all members of the other committees are non-executive directors. In addition to the criteria applicable to non-executive directors, the chairperson of a committee must also meet the requirements of his function.

The criteria to be met by directors composing a board committee are similar to those of the other directors.

The appointment of these committees' members is further based on (i) their specific competencies and experience, in addition to the general competency requirements for any board members, and (ii) the requirement that each committee must, as a group, possess the competencies and experience needed to perform its tasks.

A specific committee (the Governance and Nomination Committee – see further) will assess whether the suitability requirements applicable to the members and chairperson of each committee are met. For this assessment, the Governance and Nomination Committee will take into account the induction program that BNP Paribas Fortis will provide to any new member of these committees.

The four (4) committees function in accordance with the organisation set out below.

Audit committee (AC)

In accordance with article 27 of the Banking Law, BNP Paribas Fortis is required to set up a separate AC to assist the Board of Directors with audit related matters.

Role and responsibilities

The competences of the AC are set forth in the Banking Law and are listed in the Code on companies and associations. It concerns, in general, the following domains: finance, internal control and risk management, internal and external audit. The AC shall, upon request of the Board of Directors, assist (and make recommendations to) the Board of Directors in all audit and accounting related matters.

Membership criteria

In addition to the suitability requirements for non-executive directors, the members of the AC must collectively have the necessary skills and competences relating to BNP Paribas Fortis' activities and to audit and accounting. At least one (1) member of the AC must have an expertise in audit and/or accounting. Both independent directors, currently members of the BNP Paribas Fortis AC, have a specific expertise in audit and accounting.

Composition
The AC is composed of at least three (3) non-executive directors, of which at least two (2) directors are independent within the meaning of the Banking law.

The chairperson of the AC must be an independent director.

The chairpersons of the AC and RC (see below) meet on a regular basis with the chairpersons of the AC's and RC's of the most important entities within the governance perimeter of BNP Paribas Fortis.

Composition as at 13 March 2025:

- Wouter De Ploey (non-executive, independent director), chairman
- Laurence de l'Escaille (non-executive, independent director)
- Nathalie Hartmann (non-executive director)
- Anne Leclercq (non-executive, independent director)

Attendance at meetings
The AC met eight (8) times in 2024, of which two (2) times together with the Risk Committee (i.e. Joint Audit and Risk Committee meetings). Attendance was as follows:

Committee Member	Number of meetings attended
DE PLOEY, Wouter	8
AUBERNON, Dominique (until April 18, 2024)	2
LECLERCQ, Anne	8
de l'ESCAILLE, Laurence (since April 18, 2024)	6
HARTMANN, Nathalie (since April 18, 2024)	6

Risk committee (RC)

In accordance with article 27 of the Banking Law, BNP Paribas Fortis is required to set up a separate RC to assist the Board of Directors with risk related matters.

Role and responsibilities
The competences of the RC are set forth in the Banking Law and concern: (i) the strategy and risk appetite, (ii) the price setting, and (iii) the remuneration policy. The RC shall, upon request of the Board of Directors, assist (and make recommendations to) the Board of Directors in all risk related matters.

Membership criteria
In addition to the suitability requirements for non-executive directors, the members of the RC must individually have the required knowledge, expertise, experience and skills in order to be able to understand and apprehend BNP Paribas Fortis' risk strategy and tolerance.

Composition
The RC is composed of at least three (3) non-executive directors, of which at least two (2) directors are independent within the meaning of the Banking law.

The chairperson of the RC must be an independent director.

The chairpersons of the AC and RC meet on a regular basis with the chairpersons of the AC's and RC's of the most important entities within the governance perimeter of BNP Paribas Fortis.

Composition as at 13 March 2025:

- Anne Leclercq (non-executive, independent director), chairwoman
- Philippe Bordenave (non-executive director)
- Titia Van Waeyenberge (non-executive, independent director)

Attendance at meetings
The RC met eight (8) times in 2024, of which two (2) times together with the Audit Committee (i.e. Joint Audit and Risk Committee meetings). Attendance was as follows:

Committee Member	Number of meetings attended
LECLERCQ, Anne	8
AUBERNON, Dominique (until April 18, 2024)	2
VAN WAEYENBERGE, Titia	8
BORDENAVE, Philippe (since April 18, 2024)	5

Governance and nomination committee (GNC)

In accordance with article 27 of thse Banking Law, BNP Paribas Fortis is required to set up a separate GNC to assist the Board of Directors with governance and nomination related matters.

Role and responsibilities
The competences of the GNC are set forth in the Banking Law and the regulations of the Belgian National Bank. They concern the expression of a relevant and independent judgment on the composition and functioning of the Board of Directors

and the other management bodies of BNP Paribas Fortis, and specifically on the individual and collective expertise of their members, their integrity, reputation, independence of mind and time commitment.

Membership criteria

In addition to the suitability requirements for non-executive directors, the members of the GNC have collectively and individually the necessary skills and competences in the field of governance and nomination regulation and practices within the Belgian banking sector.

Composition

The GNC is composed of at least three (3) non-executive directors, of which at least two (2) directors are independent within the meaning of the Banking law.

The chairperson of the GNC must be an independent director.

Composition as at 13 March 2025:

- Titia Van Waeyenberge (non-executive, independent director), chairwoman
- Maxime Jadot (non-executive director)
- Laurence de l'Escaille (non-executive, independent director)

Attendance at meetings

The GNC met ten (10) times in 2024. Attendance was as follows:

Committee Member	Number of meetings attended
d'ASPREMONT LYNDEN, Antoinette (until April 18, 2024)	2
JADOT, Maxime	9
VAN WAEYENBERGE, Titia	10
de l'ESCAILLE, Laurence (since April 18, 2024)	8

Remuneration committee (RemCo)

In accordance with article 27 of the Banking Law, BNP Paribas Fortis is required to set up a separate RemCo to assist the Board of Directors with remuneration related matters.

Role and responsibilities

The competences of the RemCo are set forth in the Banking Law. They concern the expression of a relevant and independent judgement on the remuneration policies, reward practices and related incentives, taking into account BNP Paribas Fortis' risk management, equity needs and liquidity position.

Membership criteria

In addition to the suitability criteria for non-executive directors, the members of the RemCo individually and collectively have the necessary skills, competences and expertise in the field of remuneration, and in particular those applicable to the Belgian banking sector.

Composition

The RemCo is composed of at least three (3) non-executive directors, of which at least two (2) directors are independent within the meaning of the Banking law.

The chairperson of the RemCo must be an independent director.

Composition as at 13 March 2025:

- Titia Van Waeyenberge (non-executive, independent director), chairwoman
- Sofia Merlo (non-executive director)
- Laurence de l'Escaille (non-executive, independent director)

Attendance at meetings

The RemCo met five (5) times in 2024. Attendance was as follows:

Committee Member	Number of meetings attended
d'ASPREMONT LYNDEN, Antoinette (until April 18, 2024)	2
MERLO, Sofia	5
VAN WAEYENBERGE, Titia	5
de l'ESCAILLE, Laurence	3

Executive Committee

BNP Paribas Fortis has set up an Executive Committee, in order to assist the Executive Board with the fulfilment of its missions and responsibilities and to advise the Executive Board as the case may be.

The Executive Committee currently consists of thirteen (13) members, of which five (5) are executive directors. It brings together the Executive Board and the eight (8) key heads of businesses and support functions.

Composition as at 13 March 2025:

Michael ANSEEUW
Executive director, chairman of the Executive Board/ Executive Committee, chief executive officer

Daniel de CLERCK
Executive director, member of the Executive Committee, chief operating officer

Lieve DE MOL
Member of the Executive Committee, head of client service center

Stéphanie GRYSOLLE
Member of the Executive Committee, head of human resources

Emilie JACQUEROUX
Member of the Executive Committee, chief transformation officer

Laurent LONCKE
Member of the Executive Committee, chief retail banking

Virginie MARTENS
Member of the Executive Committee, head of corporate coverage and CIB Belgium

Khatleen PAUWELS
Member of the Executive Committee, chief compliance officer

Franciane RAYS
Member of the Executive Committee, chief financial officer

Piet VAN AKEN
Executive director, member of the Executive Committee, chief risk officer

Laurent VAN LANCKER
Member of the Executive Committee, chief information officer

Stephane VERMEIRE
Executive director, member of the Executive Committee, head of corporate banking

Sandra WILIKENS
Executive director, member of the Executive Committee, head of affluent & private banking

3. Internal Control Procedures

Missions and Activities of the Finance Department – Finance Charter

The Finance Function, under the authority of the Chief Financial Officer, reporting to the Chief Executive Officer, is responsible for preparing and processing accounting and financial information. This responsibility is further defined in a specific Charter and mainly consists of:

- Elaborating financial and sustainability information and ensuring that published financial, prudential and sustainability information is accurate and fairly stated, in accordance with regulatory framework and standards;
- Providing Executive Management with the necessary information for the financial steering at organizational levels;
- Defining accounting, performance management and selected prudential policies and lead their operational insertion;
- Defining, deploying and supervising the permanent control framework associated with financial information;
- Managing the own funds of the entity;
- Proceeding to the analysis and the financial structuring of the external and internal acquisition, partnership and divestment projects;
- Managing the financial communications, ensuring a high quality and a clear perception by the markets;

- Coordinating banking supervisory issues, notably relationship with the ECB;
- Defining/running the Finance function's organization and monitor its resources and costs;
- Driving the Target Operating Model implementation, contribute to the definition of the functional architecture and the design of Finance systems and proceed to their deployment

Producing financial information

Policies and rules

The local financial statements for each entity are prepared under local GAAP while the BNP Paribas Fortis Consolidated Financial Statements are prepared under International Financial Reporting Standards (IFRS) as endorsed by the European Union.

A dedicated team within Accounting & Reporting (A&R), section of the Finance department, draws up the accounting policies based on IFRS as endorsed by the European Union and to be applied by all BNP Paribas Fortis entities. These are aligned with BNP Paribas Group accounting policies. This A&R team monitors regulatory changes and prepares new internal accounting policies in line with the level of interpretation necessary to adapt them to the operations carried out by BNP Paribas Fortis. A BNP Paribas Group accounting manual is available, together with additional documentation and guidance related to the specific BNP Paribas Fortis products and scope. This IFRS accounting manual is distributed to all accounting and reporting teams. It is regularly updated to reflect regulatory changes. The dedicated A&R team also handles requests for specific accounting analysis made by the local entities and the Core Businesses/Business Lines.

The Management Control department follows up the management accounting and reporting rules as determined by BNPP Group Finance.

At Finance level, the changes in the prudential reporting are followed up by the Capital Planning department and discussed during the Prudential Affairs Coordination Committee. The reporting principles and rules associated with solvency are within the remit of Risk Management, and those associated with liquidity are within the remit of ALM – Treasury.

Preparation of financial information

There are two distinct reporting channels involved in the process of preparing financial information:

- the financial accounting and reporting channel: the particular responsibility of this channel is to perform the entities' financial and cost accounting, and to prepare the BNP Paribas Fortis' consolidated financial statements in compliance with the policies and standards. It also produces information on solvency and liquidity, ensuring that it is consistent with the accounting at each level. This channel certifies the reliability of the information produced by using dedicated control tools and by applying internal certification procedures (described below) at the first level of control;
- the management accounting and reporting channel: this channel prepares the management information (from the Divisions/OEs/business lines compiled from the data per entity) that is relevant to the economic management of activities, complying with the established internal principles and standards. It ensures the consistency of the management data with the accounting data, at every level. This channel is also responsible for the preparation of solvency and liquidity ratios and for their analysis. This channel certifies the reliability of the information produced by applying internal certification procedures (described below) at the first level of control.

Group Finance designs, distributes and administers the reporting tools for the two channels. These tools are designed to suit the channels' individual objectives and necessary complementarity, and provide information for the entire BNP Paribas Group. In particular, Group Finance promotes the use of standard accounting and reporting systems in the Group entities. The systems are designed at Group level and progressively rolled out. This approach promotes the sharing of information and facilitates the implementation of cross-functional projects in the context of the development of pooled account processing and synthesis within the Group.

For the preparation of liquidity-related data as well as solvency data, the Bank has adopted the principle of integrating internal management data and those required for regulatory reporting, based on the following building blocks:

- governance involving Finance, ALM-Treasury and Risk Management;
- policies and methodologies applicable as required by regulations;
- dedicated tools ensuring data collection and the production of internal and regulatory reports.

Permanent control - Finance

Internal control within the Finance Function

Internal control at Finance is certified by a dedicated second level of control team that is supported by specialized tools, encompassing accounting controls, financial, prudential, sustainability and other operational permanent control areas of the Finance department. The basis of their controls is the control results and certification of the first level of control done in the operational departments and other functions.

Related to the sustainability controls, a tactical implementation for 2024 has been executed which will further evolve in 2025 to a more strategic control process.

The mission of this team is to ensure, on a permanent basis, the reliability of the processes used for producing and validating the financial figures for BNP Paribas Fortis, and to ensure compliance with the other legal and regulatory reporting requirements of the Finance department. Next to performing this second level of control, the department's activities consist of maintaining relations with the external auditors and ensuring that their recommendations are correctly applied throughout BNP Paribas Fortis.

Internal Certification Process

BNP Paribas Fortis monitors the accounting and reporting risks through a certification process, whose purpose is to report on the quality of the information provided in the different reporting systems. The results of the certification process related to the financial reporting are presented quarterly to the BNP Paribas Fortis Audit Committee.

Based on general rules, set by BNP Paribas Group, each entity submitting a reporting package is required to certify the accuracy of the reporting package on a quarterly basis, using the Finance Accounting Control Tool, an application designed to support the certification process across the BNP Paribas Group. Certificates are made up of standardized questions, included in a generic control plan, addressing the main accounting, financial and prudential risk areas, as well as sustainability reporting risk areas.

Permanent control within Finance provides a level of comfort to the CFO, Group Finance, the BNP Paribas Fortis Audit Committee, the external auditors and also the National Bank of Belgium that the internal control measures are being properly maintained, by performing a second level of control on these certificates and ensuring the final validation by the CFO.

The certification process encompasses:

- the certification that the accounting and reporting data are reliable and comply with the BNP Paribas Group accounting and reporting policies;
- the certification that the accounting and reporting internal control system designed to ensure the quality of data is operating effectively.

This internal certification process forms part of the overall permanent control monitoring system and enables the BNP Paribas Fortis Finance department to be informed of any incidents relating to the preparation of the financial statements, to monitor the implementation by the accounting entities of appropriate corrective measures and, if necessary, to book appropriate provisions. As regards BNP Paribas Fortis in Belgium, the certification process is supported by an extensive set of sub-certificates which cover all activities that may generate accounting and financial, prudential and sustainability reporting risks for the company.

The certification system is also used in liaison with Risk Management for information forming part of the regulatory reporting on credit risk and solvency ratios. Those contributing to the reports attest that they have complied with the standards and procedures and that the data used are of appropriate quality. They further describe the results of the controls carried out at the various stages of producing the reports, including the accounting data to credit-risk data reconciliation. On the same principles, a certification system has been installed for liquidity-related data. The various contributors report on compliance with standards and the results of key controls performed to ensure the quality of the reporting.

Periodic control – General Inspection

General Inspection has a team of inspectors who are specialists in accounting and other finance related audit subjects. This reflects its strategy of strengthening audit capability, as regards both the technical complexity of its work and its coverage of the risks.

Its action plan is based on the remote internal control tools available to BNP Paribas Fortis and the risk evaluation chart set up by General Inspection.

The core aims of the team are as follows:

- to constitute a hub of accounting and financial expertise in order to reinforce the capability of General Inspection when carrying out inspections in such areas;
- to identify via risk assessments and inspect risk areas at the level of BNP Paribas Fortis.

Relations with the statutory auditors

In 2024, the accredited statutory auditor was:

- Deloitte Bedrijfsrevisoren bv / Deloitte Réviseurs d'Entreprises srl, represented by Mr. Yves DEHOGNE, since the Annual General Meeting of Shareholders.

The statutory auditor is appointed by the Annual General Meeting of Shareholders, based on advice from the Audit Committee, proposal by the Board of Directors and after approval of the Works Council. The Annual General Meeting of Shareholders for this appointment took place on the 20th of April 2023.

The statutory auditor is required to issue an audit report every financial year, in which he gives his opinion regarding the true and fair view of the consolidated financial statements of BNP Paribas Fortis and its subsidiaries. A summary of the control findings and recommendations is presented to the Audit Committee.

The statutory auditor also carries out specified procedures for the group auditors and audit/review procedures for the prudential regulator.

As part of their statutory audit assignment and based on his audit tasks, he:

- examines any significant changes in accounting standards and presents his recommendations to the Audit Committee regarding choices that have a material impact;
- presents his findings, observations and recommendations for improving the internal control system to the relevant Bank entities and to Finance.

The Audit Committee of the Board of Directors is informed about any choice that a material impact on the financial statements, so that they can submit these choices to the Board of Directors for a final decision.

4. Conflicts of Interest

In addition to the legal provisions on conflicts of interest in the Code on companies and associations, BNP Paribas Fortis is required to comply with the provisions of the Banking Law and the substance of a number of circular letters issued by the National Bank of Belgium whose purpose is to avoid conflicts of interest between BNP Paribas Fortis and its directors or executive management, inter alia in relation to external functions exercised; as well as to contracts, transactions and loans.

In addition, BNP Paribas Fortis has in place a general Code of conduct and specific codes of conduct regarding conflicts of interest, which state that the attainment of commercial, financial, professional or personal objectives must not stand in the way of compliance with the following basic principles:

1. customers' interests (this includes understanding customers' needs, ensuring the fair treatment of customers and protecting the customers' interests, ...);
2. financial security (this includes fighting against money laundering, against external bribery & corruption and terrorist financing, sanctions & embargoes...);
3. market integrity (this includes promoting free and fair competition, complying with market abuse rules,...);
4. professional ethics (this includes avoiding conflicts of interests in outside activities, taking measures against internal bribery and corruption,...);
5. respect for colleagues (this includes applying best standards in professional behavior, rejecting any forms of discrimination and ensuring the safety of the workplace);
6. group protection (this includes building and protecting the BNP Paribas Group's long-term value, protecting the Group's information, communicating responsibly,...);
7. involvement with society (this includes promoting the respect for human rights, protecting the environment and combating climate change and acting responsibly in public representation).

Finally, BNP Paribas Fortis directors have been assessed by the relevant supervisor before their formal appointment, in accordance with the Banking Law. Before issuing its approval for an appointment, the relevant supervisor conducts an assessment which involves verifying that certain conflicts of interest do not exist.

BNP PARIBAS FORTIS CONSOLIDATED FINANCIAL STATEMENTS 2024

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Profit and loss account for the year ended 31 December 2024

In millions of euros	Note	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Interest income	2.a	17,943	15,041
Interest expense	2.a	(13,237)	(10,284)
Commission income	2.b	2,738	2,441
Commission expense	2.b	(1,167)	(1,002)
Net gain or loss on financial instruments at fair value through profit or loss	2.c	41	518
Net gain or loss on financial instruments at fair value through equity	2.d	20	20
Net gain or loss on the derecognition of financial assets at amortised cost		(4)	63
Net income from insurance activities		70	68
Income from other activities	2.e	20,395	16,697
Expense on other activities	2.e	(16,507)	(13,011)
REVENUES		**10,292**	**10,551**
Other operating expenses	2.f	(5,236)	(5,121)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4.l	(404)	(375)
GROSS OPERATING INCOME		**4,652**	**5,055**
Cost of risk	2.g	(390)	(280)
OPERATING INCOME		**4,262**	**4,775**
Share of earnings of equity-method entities	4.k	465	311
Net gain or loss on non-current assets	2.h	(281)	(62)
PRE-TAX INCOME		**4,446**	**5,024**
Corporate income tax	2.i	(1,160)	(1,482)
NET INCOME		**3,286**	**3,542**
of which net income attributable to minority interests		367	447
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**2,919**	**3,095**

Statement of net income and change in assets and liabilities recognised directly in equity

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
NET INCOME FOR THE PERIOD	3,286	3,542
CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	473	103
Items that are or may be reclassified to profit or loss	**309**	**15**
Changes in exchange rate items	405	42
Changes in fair value of financial assets at fair value through Other Comprehensive Income		
Changes in fair value recognised in equity	*(247)*	*(64)*
Changes in fair value reported in net income	*(10)*	*9*
Changes in fair value of investments of insurance activities		
Changes in fair value recognised in equity	*6*	*4*
Changes in fair value reported in net income	*(2)*	-
Changes in fair value of hedging instruments		
Changes in fair value recognised in equity	*46*	*4*
Changes in fair value reported in net income	*(1)*	*(1)*
Income tax	51	14
Changes in equity-method investments	61	7
Items that will not be reclassified to profit or loss	**164**	**88**
Changes in fair value of financial assets at fair value through Other Comprehensive Income		
Changes in fair value recognised in equity	*19*	*17*
Debt remeasurement effect arising from BNP Paribas Fortis issuer risk	(1)	(5)
Remeasurement gains (losses) related to post-employment benefit plans	85	(60)
Income tax	(20)	19
Changes in equity-method investments	81	117
Total	**3,759**	**3,645**
Attributable to equity shareholders	3,183	3,138
Attributable to minority interests	576	507

Balance sheet at 31 December 2024

In millions of euros	Note	31 December 2024	31 December 2023
Assets			
Cash and balances at central banks		26,538	38,467
Financial instruments at fair value through profit or loss		11,017	9,419
Securities	*4.a*	*1,764*	*1,604*
Loans and repurchase agreements	*4.a*	*2,943*	*1,674*
Derivative financial instruments	*4.a*	*6,310*	*6,141*
Derivatives used for hedging purposes	4.b	4,414	5,418
Financial assets at fair value through Other Comprehensive Income		13,033	10,802
Debt securities	*4.c*	*12,863*	*10,651*
Equity securities	*4.c*	*170*	*151*
Financial assets at amortised cost		264,018	250,926
Loans and advances to credit institutions	*4.e*	*19,897*	*19,116*
Loans and advances to customers	*4.e*	*228,838*	*219,303*
Debt securities	*4.e*	*15,283*	*12,507*
Remeasurement adjustment on interest-rate risk hedged portfolios		(468)	(804)
Investments and other assets related to insurance activities		459	342
Current and deferred tax assets	4.i	831	1,064
Accrued income and other assets	4.j	13,450	13,668
Equity-method investments	4.k	3,081	2,631
Property, plant and equipment and Investment property	4.l	41,971	36,475
Intangible assets	4.l	622	571
Goodwill	4.m	880	872
Non-current assets held for sale	7.d	-	4,029
Total assets		**379,846**	**373,880**
Liabilities			
Deposits from central banks		2,020	1,971
Financial instruments at fair value through profit or loss		18,866	21,347
Securities	*4.a*	*786*	*697*
Deposits and repurchase agreements	*4.a*	*7,844*	*11,788*
Issued debt securities and subordinated debts	*4.a*	*4,170*	*2,721*
Derivative financial instruments	*4.a*	*6,066*	*6,141*
Derivatives used for hedging purposes	4.b	7,318	8,271
Financial liabilities at amortised cost		303,933	292,812
Deposits from credit institutions	*4.g*	*63,292*	*62,845*
Deposits from customers	*4.g*	*212,937*	*203,931*
Debt securities	*4.h*	*20,758*	*23,801*
Subordinated debt	*4.h*	*6,946*	*2,235*
Remeasurement adjustment on interest-rate risk hedged portfolios		(2,996)	(3,895)
Current and deferred tax liabilities	4.i	1,471	1,362
Accrued expenses and other liabilities	4.j	10,518	12,251
Liabilities related to insurance contracts		279	246
Provisions for contingencies and charges	4.n	3,630	4,325
Liabilities associated with non-current assets held for sale	7.d	-	4,011
Total liabilities		**345,039**	**342,701**
Equity			
Share capital, additional paid-in capital and retained earnings		*28,285*	*25,029*
Net income for the period attributable to shareholders		*2,919*	*3,095*
Total capital, retained earnings and net income for the period attributable to shareholders		31,204	28,124
Changes in assets and liabilities recognised directly in equity		(2,447)	(2,711)
SHAREHOLDERS' EQUITY		**28,757**	**25,413**
MINORITY INTERESTS	7.c	**6,050**	**5,766**
Total equity		**34,807**	**31,179**
Total liabilities & equity		**379,846**	**373,880**

Cash flow statement for the year ended 31 December 2024

In millions of euros	Note	Year to 31 Dec. 2024	Year to 31 Dec. 2023
PRE-TAX INCOME		4,446	5,024
NON-MONETARY ITEMS INCLUDED IN PRE-TAX NET INCOME AND OTHER ADJUSTMENTS		2,868	11,105
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		5,150	4,265
Impairment of goodwill and other non-current assets		(13)	(50)
Net addition to provisions		(41)	295
Variation of assets/liabilities related to insurance contracts		26	62
Share of earnings of equity-method entities		(465)	(311)
Net income from investing activities		2	(199)
Net income from financing activities		3	(2)
Other movements**		(1,794)	7,045
NET INCREASE IN CASH RELATED TO ASSETS AND LIABILITIES GENERATED BY OPERATING ACTIVITIES		(23,603)	(21,387)
Net decrease in cash related to transactions with customers and credit institutions		(2,992)	(4,903)
Net decrease in cash related to transactions involving other financial assets and liabilities		(9,687)	(1,368)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(10,222)	(14,262)
Taxes paid		(702)	(854)
Net decrease in cash and equivalents generated by operating activities		**(16,289)**	**(5,258)**
Net decrease in cash related to acquisitions and disposals of consolidated entities		157	46
Net increase related to property, plant and equipment and intangible assets		(357)	(74)
Net decrease in cash and equivalents related to investing activities	**7.m**	**(200)**	**(28)**
Net increase (decrease) in cash and equivalents related to transactions with shareholders		(183)	(3,341)
Net decrease in cash and equivalents generated by other financing activities		4,778	6,847
Net increase in cash and equivalents related to financing activities*	**7.m**	**4,595**	**3,506**
Effect of movement in exchange rates on cash and equivalents		**(325)**	**(985)**
Net decrease in cash and equivalents		**(12,219)**	**(2,765)**
BALANCE OF CASH AND EQUIVALENT ACCOUNTS AT THE START OF THE PERIOD		38,037	40,802
Cash and amounts due from central banks		38,484	39,023
Due to central banks		(1,971)	(2,363)
On-demand deposits with credit institutions		3,043	5,850
On-demand loans from credit institutions	4.g	(1,565)	(1,702)
Deduction of receivables and accrued interest on cash and equivalents		(14)	(6)
Cash and cash equivalent accounts classified as 'Assets held for sale'		60	-
BALANCE OF CASH AND EQUIVALENT ACCOUNTS AT THE END OF THE PERIOD		25,818	38,037
Cash and amounts due from central banks		26,552	38,484
Due to central banks		(2,020)	(1,971)
On-demand deposits with credit institutions		3,125	3,043
On-demand loans from credit institutions	4.g	(1,690)	(1,565)
Deduction of receivables and accrued interest on cash and equivalents		(149)	(14)
Cash and cash equivalent accounts classified as 'Assets held for sale'		-	60
Net decrease in cash and equivalents		**(12,219)**	**(2,765)**
ADDITIONAL INFORMATION:			
Interest paid		(12,955)	(8,844)
Interest received		17,399	14,639
Dividend paid/received		(2,966)	(3,098)

** Changes in liabilities arising from financing activities other than those arising from cash flows amount to 247 million euros, due to foreign exchange and revaluation effect, for respectively (11) million euros and 198 million euros.*

*** Other movements for the year 2023 include 3.8 billion euros disposals of operating lease fixed assets from the Arval business line. In 2024 the respective amount of 7.5 billion euros has been reclassified to net decrease in cash related to transactions involving non financial assets and liabilities.*

Statement of changes in shareholders' equity

In millions of euros	Capital and retained earnings				Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss			
	Share capital	Subordinated equity instruments	Non distributed reserves	Total capital and retained earnings	Financial instruments designated as at fair value through equity	Own-credit valuation adjustment of debt securities designated as at fair value through profit or loss	Remeasurement gains (losses) related to post-employment benefits plans	Total
Capital and retained earnings at 31 December 2022	**11,905**	**500**	**15,634**	**28,039**	**52**	**3**	**(364)**	**(309)**
Other movements	-	-	(37)	(37)	-	-	-	-
Acquisitions	-	-	12	12	-	-	-	-
Dividends	-	-	(2,996)	(2,996)	-	-	-	-
Realised gains or losses reclassified to retained earnings	-	-	11	11	(11)	-	-	(11)
Changes in assets and liabilities recognised directly in equity	-	-	-	-	112	(4)	(25)	83
Net income for 2023	**-**	**-**	**3,095**	**3,095**	**-**	**-**	**-**	**-**
Capital and retained earnings at 31 December 2023	**11,905**	**500**	**15,719**	**28,124**	**153**	**(1)**	**(389)**	**(237)**
Other movements	-	-	(43)	(43)	-	-	-	-
Share capital increase and emissions	-	3,000	36	3,036	-	-	-	-
Dividends	-	-	(2,832)	(2,832)	-	-	-	-
Changes in assets and liabilities recognised directly in equity	-	-	-	-	99	(1)	49	147
Net income for 2024	**-**	**-**	**2,919**	**2,919**	**-**	**-**	**-**	**-**
Capital and retained earnings at 31 December 2024	**11,905**	**3,500**	**15,799**	**31,204**	**252**	**(2)**	**(340)**	**(90)**

In millions of euros	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss							
	Exchange rate	Financial instruments at fair value through equity	Financial investments of insurance activities	Derivatives used for hedging purposes	Total	Total Shareholders' equity	Minority interests (note 7.c)	Total consolidated equity
Capital and retained earnings at 31 December 2022	**(1,809)**	**(100)**	**(551)**	**26**	**(2,434)**	**25,296**	**5,672**	**30,968**
Other movements	-	-	-	-	-	(37)	(111)	(148)
Acquisitions	-	-	-	-	-	12	11	23
Dividends	-	-	-	-	-	(2,996)	(313)	(3,309)
Realised gains or losses reclassified to retairned earnings	-	-	-	-	-	-	-	-
Changes in assets and liabilities recognised directly in equity	62	(8)	(81)	(13)	(40)	43	60	103
Net income for 2023	**-**	**-**	**-**	**-**	**-**	**3,095**	**447**	**3,542**
Capital and retained earnings at 31 December 2023	**(1,747)**	**(108)**	**(632)**	**13**	**(2,474)**	**25,413**	**5,766**	**31,179**
Other movements	-	-	-	-	-	(43)	46	3
Share capital increase and emissions	-	-	-	-	-	3,036	-	3,036
Dividends	-	-	-	-	-	(2,832)	(338)	(3,170)
Changes in assets and liabilities recognised directly in equity	216	(159)	64	(4)	117	264	209	473
Net income for 2024	**-**	**-**	**-**	**-**	**-**	**2,919**	**367**	**3,286**
Capital and retained earnings at 31 December 2024	**(1,531)**	**(267)**	**(568)**	**9**	**(2,357)**	**28,757**	**6,050**	**34,807**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2024

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

1 Summary of significant accounting policies applied by BNP Paribas Fortis

1.a Accounting standards

1.a.1 Applicable accounting standards

The consolidated financial statements of BNP Paribas Fortis have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union[1]. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 'Financial Instruments: Disclosures' along with information on regulatory capital required by IAS 1 'Presentation of Financial Statements' is presented in the section 'Risk management and capital adequacy' in the Annual report. This information is an integral part of the notes to the BNP Paribas Fortis consolidated financial statements.

- Further to the Pillar II recommendations of the Organisation for Economic Cooperation and Development (OECD) in relation to the international tax reform, the European Union adopted on 14 December 2022 the 2022/2523 directive instituting a minimum corporate income tax for international groups, effective 1 January 2024.

  To clarify the directive's potential impacts, the IASB issued on 23 May 2023 a series of amendments to IAS 12 'Income Taxes', which were adopted by the European Union on 8 November 2023. In accordance with the provisions of these amendments, the Group applies the mandatory and temporary exception not to recognise deferred taxes associated with this additional taxation.

  The impact of the Pillar II reform is non-material for BNP Paribas Fortis.

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2024, in particular the amendment to IFRS 16 on Lease liabilities in a sale and lease back, had no effect on the Group's financial statements at 31 December 2024.

1.a.2 New major accounting standards, published but not yet applicable

BNP Paribas Fortis did not early apply new standards, amendments and interpretations endorsed by the European Union when the application in 2024 was optional.

The impact assessment of the new standards and amendments not yet applicable by BNP Paribas Fortis is presented below:

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" relating to the classification and measurement of financial instruments.

On 30 May 2024, the IASB published amendments to IFRS 9 and IFRS 7, which will be applicable for annual periods beginning on 1 January 2026. These amendments:

- clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic payment system;
- clarify and add indications for assessing whether a financial asset meets the cash flow criterion, e.g. its cash flows are solely payments of principal and interest on the principal outstanding (SPPI);
- require disclosures in the notes to financial statements for certain instruments with contractual terms that can change the time or amount of cash flows upon the occurrence or non-occurence of a contingent event (e.g; financial instruments with characteristics linked to the achievement of environmental, social and governance objectives); and
- update the information requirements for equity instruments designated at fair value through equity.

Publication of IFRS 18 "Presentation and disclosure in financial statements" in replacement of IAS 1.

IFRS 18 will be mandatory from 1 January 2027, with retrospective application. IFRS 18 includes many of the requirements of IAS 1 without changes and supplements them with new requirements relating to:

[1] *The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en*

- the presentation of specific categories (operating, investment and financing) and sub-totals in the statement of profit or loss account;
- information to be disclosed in the notes to the financial statements on management-defined performance measures (MPM);
- aggregation and disaggregation of information in the statement of profit or loss account.

BNP Paribas Fortis is currently assessing the detailed implications of applying IFRS 18 to the Group's consolidated financial statements.

1.b Segment reporting

The bank considers that within the legal and regulatory scope of BNP Paribas Fortis ('controlled perimeter'), the nature and financial effects of the business activities in which it engages and the economic environments in which it operates are best reflected through the following segments:

- banking activities in Belgium;
- banking activities in Luxembourg;
- banking activities in Turkey;
- Arval and Leasing solutions;
- other.

Until 2023, the operating segment "Specialised Businesses" was composed out of Arval, Leasing Solutions and Personal Finance. Following a review conducted in the course of 2024 and in order to reflect the fact that Arval and Leasing Solutions share similar economic characteristics, the operating segment "Specialised Businesses" has been renamed as of 2024 to "Arval and Leasing Solutions". At the same time, Personal Finance, which does not meet the quantitative thresholds defined by IFRS 8 – Operating Segments and which shares less economic characteristics with the activities of Arval and Leasing Solutions is moved towards the already existing segment "Others". Following IFRS 8, comparative figures were adapted to reflect this modification.

Operating segments are components of BNP Paribas Fortis:

- that engage in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Board of Directors of BNP Paribas Fortis in order to make decisions about resources to be allocated to that segment and to assess its performance;
- for which discrete financial information is available.

The Board of Directors of BNP Paribas Fortis is deemed to be the chief operating decision maker (CODM) within the meaning of IFRS 8 'Operating Segments', jointly overseeing the activities, performance and resources of BNP Paribas Fortis.

BNP Paribas Fortis, like many other companies with diverse operations, organises and reports financial information to the CODM in more than one way.

BNP Paribas Fortis and the legal entities that are part of the BNP Paribas Fortis Group exercise management control over the full legal and regulatory scope, known as the 'controlled perimeter', including the establishment of appropriate governance structures and control procedures.

Within this organisational structure and in the context of the regulatory scope ('controlled perimeter') of BNP Paribas Fortis, the operating segments mentioned above are best aligned with the core principles and criteria for determining operating segments as defined in IFRS 8 'Operating Segments'.

Transactions or transfers between the operating segments are entered into under normal commercial terms and conditions as would be the case with non-related third parties.

1.c Consolidation

1.c.1 Scope of consolidation

The consolidated financial statements of BNP Paribas Fortis include entities that are controlled by BNP Paribas Fortis, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to BNP Paribas Fortis. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which BNP Paribas Fortis obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

1.c.2 Consolidation methods

Exclusive control

Controlled enterprises are fully consolidated. BNP Paribas Fortis controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For entities governed by voting rights, BNP Paribas Fortis generally controls the entity if it holds, directly or indirectly, the majority of the voting rights (and if there are no contractual provisions that alter the power of these voting rights) or if the power to direct the relevant activities of the entity is conferred on it by contractual agreements.

Structured entities are entities established so that they are not governed by voting rights, for instance when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: restricted activities, a narrow and well-defined objective and insufficient equity to permit them to finance their activities without subordinated financial support.

For these entities, the analysis of control shall consider the purpose and design of the entity, the risks to which the entity is designed to be exposed and to what extent BNP Paribas Fortis absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine BNP Paribas Fortis' practical ability to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has power, BNP Paribas Fortis considers only substantive rights which it holds or which are held by third parties. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be made.

Control is reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

Where BNP Paribas Fortis contractually holds the decision-making power, for instance where BNP Paribas Fortis acts as fund manager, it shall determine whether it is acting as agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that BNP Paribas Fortis is acting on its own account and that it thus has control over those entities.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside BNP Paribas Fortis.

As regards fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, inasmuch as they are redeemable at fair value at the subscriber's initiative.

For transactions resulting in a loss of control, any equity interest retained by BNP Paribas Fortis is remeasured at its fair value through profit or loss.

Joint control

Where BNP Paribas Fortis carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity's returns), BNP Paribas Fortis exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the BNP Paribas Fortis accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRS.

Significant influence

Companies over which BNP Paribas Fortis exercises significant influence or associates are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of a company without exercising control. Significant influence is presumed to exist when BNP Paribas Fortis holds, directly or indirectly, 20% or more of the voting rights of a company. Interests of less than 20% can be included in the consolidation scope if BNP Paribas Fortis effectively exercises significant influence. This is the case for example for entities developed in partnership with other associates, where BNP Paribas Fortis participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, or exercises influence over the enterprise's operational management by supplying management systems or senior managers, or provides technical assistance to support the enterprise's development.

Changes in the net assets of associates (companies accounted for under the equity method) are recognised on the assets side of the balance sheet under 'Investments in equity-method entities' and in the relevant component of shareholders' equity. Goodwill recorded on associates is also included under 'equity-method investments'.

Whenever there is an indication of impairment, the carrying amount of the investment consolidated under the equity method (including goodwill) is subjected to an impairment test, by comparing its recoverable value (the higher of value-in-use and market value less costs to sell) to its carrying amount. Where appropriate, impairment is recognised under 'Share of earnings of equity-method entities' in the consolidated income statement and can be reversed at a later date.

If BNP Paribas Fortis' share of losses of an equity-method entity equals or exceeds the carrying amount of its investment in this entity, BNP Paribas Fortis discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the equity-method entity are provided for only to the extent that BNP Paribas Fortis has contracted a legal or constructive obligation, or has made payments on behalf of this entity.

Where BNP Paribas Fortis holds an interest in an associate, directly or indirectly through an entity that is a venture capital organisation, a mutual fund, an open-ended investment company or similar entity such as an investment-related insurance fund, it may elect to measure that interest at fair value through profit or loss.

Realised gains and losses on investments in consolidated undertakings are recognised in the profit and loss account under 'Net gain on non-current assets'.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events occurring in similar circumstances.

1.c.3 Consolidation rules

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated enterprises, and the transactions themselves (including income, expenses and dividends), are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired. Unrealised gains and losses included in the value of financial instruments at fair value through equity are maintained in the consolidated financial statements.

Translation of accounts expressed in foreign currencies

The consolidated financial statements of BNP Paribas Fortis are prepared in euros.

The financial statements of enterprises whose functional currency is not the euro are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period.

Financial statements of BNP Paribas Fortis' subsidiaries located in hyperinflationary economies, previously adjusted for inflation by applying a general price index are translated using the closing rate. This rate applies to the translation of assets and liabilities as well as income and expenses.

Differences arising from the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under 'Exchange differences' and in 'Minority interests' for the portion attributable to outside investors. Under the optional treatment permitted by IFRS 1, BNP Paribas Fortis has reset to zero all translation differences, by booking all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004 to retained earnings.

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the eurozone, leading to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without keeping a significant influence), the cumulative exchange difference at the date of liquidation or sale is recognised in the profit and loss account.

Should the percentage of interest change without leading to a modification in the nature of the investment, the exchange difference is reallocated between the portion attributable to shareholders and that attributable to minority interests, if the entity is fully consolidated; if the entity is consolidated under the equity method, it is recorded in profit or loss for the portion related to the interest sold.

1.c.4 Business combination and measurement of goodwill

Business combinations

Business combinations are accounted for using the purchase method.

Under this method, the acquiree's identifiable assets and liabilities assumed are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale, which are accounted for at fair value less costs to sell.

The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued to obtain control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

Any contingent consideration is included in the cost, as soon as control is obtained, at fair value on the date when control was acquired. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

BNP Paribas Fortis may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets and liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while negative goodwill is recognised immediately in profit or loss, on the acquisition date.

Minority interests are measured at their share of the fair value of the acquiree's identifiable assets and liabilities. However, for each business combination, BNP Paribas Fortis can elect to measure minority interests at fair value, in which case a proportion of goodwill is allocated to them. To date, BNP Paribas Fortis has never used this latter option.

Goodwill is recognised in the functional currency of the acquiree and translated at the closing exchange rate.

On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value.

Since the revised IFRS 3 has been applied prospectively, business combinations completed prior to 1 January 2010 were not restated for the effects of changes to IFRS 3.

As permitted under IFRS 1, business combinations that took place before 1 January 2004 and were recorded in accordance with the previously applicable accounting standards (Belgian GAAP), had not been restated in accordance with the principles of IFRS 3.

Measurement of goodwill

BNP Paribas Fortis tests goodwill for impairment on a regular basis.

Cash-generating units

BNP Paribas Fortis has split all its activities into cash-generating units representing major business lines. This split is consistent with the organisational structure and management methods of BNP Paribas Fortis, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

Testing cash-generating units for impairment

Goodwill allocated to cash-generating units is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit less costs to sell, and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by the Executive Management, and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

Transactions under common control

Transfers of assets or exchange of shares between entities under common control do not fall within the scope of IFRS 3 'Business Combinations' or other IFRS standards. Therefore, based on IAS 8, which requires management to use its judgement in developing and applying an accounting policy that provides relevant and reliable financial statement information, BNP Paribas Fortis has decided to adopt a predecessor basis of accounting. Under this method, BNP Paribas Fortis, as acquiring party, recognises those assets and liabilities at their carrying amount as determined and reported by the transferring entity in the consolidated financial statements of BNP Paribas Fortis at the date of the transfer. Consequently, no new goodwill (other than the existing goodwill relating to either of the combining entities) is recognised. Any difference between the consideration paid/transferred and the share in the net assets measured at the predecessor carrying amount is presented as an adjustment in equity. This predecessor basis of accounting for the business combinations under common control is applied prospectively from the date of the acquisition.

1.d Translation of foreign currency transactions

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by BNP Paribas Fortis, and to measure the foreign exchange risk arising on such transactions, depend on whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities[2] expressed in foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant entity at the closing rate. Foreign exchange differences are recognised in the profit and loss account, except for those arising from financial instruments designated as a cash flow hedge or a net foreign investment hedge, which are recognised in shareholders' equity.

2 *Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash*

Non-monetary assets and liabilities expressed in foreign currencies

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are translated using the exchange rate at the date of the transaction (i.e. date of initial recognition of the non-monetary asset) if they are measured at historical cost, and at the closing rate if they are measured at fair value.

Foreign exchange differences relating to non-monetary assets denominated in foreign currencies and recognised at fair value (equity instruments) are recognised in profit or loss when the asset is classified in 'Financial assets at fair value through profit or loss' and in equity when the asset is classified under 'Financial assets at fair value through Other Comprehensive Income'.

1.e Financial information in hyperinflationary economies

BNP Paribas Fortis applies IAS 29 to the presentation of the accounts of its consolidated subsidiaries located in countries whose economies are in hyperinflation.

IAS 29 presents a number of quantitative and qualitative criteria to assess whether an economy is hyperinflationary, including a cumulative, three-year inflation rate approaching or exceeding 100%.

IAS 29 standard requires that the balance sheet and the profit or loss amounts not already expressed in terms of the measuring unit current at the end of the reporting period be restated by applying a general price index.

For this purpose:

- All non-monetary assets and liabilities of subsidiaries in hyperinflationary countries, including equity, are restated on the basis of changes in the Consumer Price Index (CPI) from the date of initial recognition in the balance sheet to the end of the reporting period. Each line of the profit and loss account is restated on the basis of changes in CPI between the dates when the transactions were realised and the end of the reporting period.
- Assets and liabilities linked by agreement to changes in prices, such as index linked bonds and loans, are adjusted at the reporting date, in accordance with the agreement.

In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position, which reflects this gain or loss on purchasing power incurred by the Group during the reporting period, may be derived as the difference resulting from the restatement of non-monetary assets, equity and the profit and loss account and the adjustment of index linked assets and liabilities. This gain or loss is recognised under "Net gain on non-current assets".

Financial statements of these subsidiaries are then translated into euros at the closing rate.

In accordance with the provisions of the IFRIC's decision of March 2020 on classifying the effects of indexation and translation of accounts of subsidiaries in hyperinflationary economies, the Group has opted to present these effects (including the net book value effect at the date of the initial application of IAS 29) within changes in assets and liabilities recognised directly through equity related to exchange differences.

Since 1 January 2022, the Group has applied IAS 29 to the presentation of the accounts of its consolidated subsidiaries located in Türkiye.

1.f Net interest income, commissions and income from other activities

1.f.1 Net interest income

Income and expenses relating to debt instruments measured at amortised cost and at fair value through other comprehensive income are recognised in the income statement using the effective interest rate method.

The effective interest rate is the rate that ensures that the discounted estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, is equal to the carrying amount of the asset or liability in the balance sheet. The effective interest rate measurement takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

Commissions considered as an additional component of interest are included in the effective interest rate, and are recognised in the profit and loss account in 'Net interest income'. This category includes notably commissions on financing commitments when it is considered that the setting up of a loan is more likely than unlikely. Commissions received in respect of financing commitments are deferred until they are drawn and then included in the effective interest rate calculation and amortised over the life of the loan. Syndication commissions are also included in this category for the portion of the commission equivalent to the remuneration of other syndication participants.

1.f.2 Commissions and income from other activities

Commissions received with regards to banking and similar services provided (except for those that are integral part of the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts fall within the scope of IFRS 15 'Revenue from Contracts with Customers'.

This standard defines a single model for recognising revenue based on principles set out in five steps. These five steps enable to identify the distinct performance obligations included in the contracts and allocate the transaction price among them. The income related to those performance obligations is recognised as revenue when the latter are satisfied, namely when the control of the promised goods or services has been transferred.

The price of a service may contain a variable component. Variable amounts may be recognised in the income statement only if it is highly probable that the amounts recorded will not result in a significant downward adjustment.

Commission

BNP Paribas Fortis records commission income and expense in profit or loss:

- either over time as the service is rendered when the client receives continuous service. These include, for example, certain commissions on transactions with customers when services are rendered on a continuous basis, commissions on financing commitments that are not included in the interest margin, because the probability that they give rise to the drawing up of a loan is low, commissions on financial collateral, clearing commissions on financial instruments, commissions related to trust and similar activities, securities custody fees, etc. Commissions received under financial guarantee commitments are deemed to represent the initial fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, in Commission Income.
- or at a point in time when the service is rendered, in other cases. These include, for example, distribution fees received, loan syndication fees remunerating the arrangement service, advisory fees, etc..

Income from other activities

Income from services provided in connection with lease contracts is recorded under 'Income from other activities' in the income statement as the service is rendered, i.e. in proportion to the costs incurred for maintenance contracts.

Regarding income from services provided in connection with lease contracts, BNP Paribas Fortis records them in profit or loss as the service is rendered, i.e. in proportion to the costs incurred for maintenance contracts. The corresponding expenses are recognised when the service is rendered. At the same time, provisions are recognised to cover risks mainly related to services provided like risk retention and relay-assistance vehicles.

1.g Financial assets and financial liabilities

Financial assets are classified at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss depending on the business model and the contractual features of the instruments at initial recognition.

Financial liabilities are classified at amortised cost or at fair value through profit or loss at initial recognition.

Financial assets and liabilities are recognised in the balance sheet when BNP Paribas Fortis becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets made within a period established by the regulations or by a convention in the relevant marketplace are recognised in the balance sheet at the settlement date.

1.g.1 Financial assets at amortised cost

Financial assets are classified at amortised cost if the following two criteria are met: the business model objective is to hold the instrument in order to collect the contractual cash flows and the cash flows consist solely of payments relating to principal and interest on the principal.

Business model criterion

Financial assets are managed within a business model whose objective is to hold financial assets in order to collect cash flows through the collection of contractual payments over the life of the instrument.

The realisation of disposals close to the maturity of the instrument and for an amount close to the remaining contractual cash flows, or due to an increase in the counterparty's credit risk is consistent with a business model whose objective is to collect the contractual cash flows ('collect'). Sales imposed by regulatory requirements or to manage the concentration of credit risk (without an increase in the asset's credit risk) are also consistent with this business model when they are infrequent or insignificant in value.

Cash flow criterion

The cash flow criterion is satisfied if the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely repayments of principal and interest on the principal amount outstanding.

The criterion is not met in the event of a contractual characteristic that exposes the holder to risks or to the volatility of contractual cash flows that are inconsistent with those of a non-structured or 'basic lending' arrangement. It is also not satisfied in the event of leverage that increases the variability of the contractual cash flows.

Interest consists of consideration for the time value of money, for the credit risk, and for the remuneration of other risks (e.g. liquidity risk), costs (e.g. administration fees), and a profit margin consistent with that of a basic lending arrangement. The existence of negative interest does not call into question the cash flow criterion.

The time value of money is the component of interest - usually referred to as the 'rate' component - which provides consideration for only the passage of time. The relationship between the interest rate and the passage of time must not be modified by specific characteristics that could call into question the respect of the cash flow criterion.

Thus, when the variable interest rate of the financial asset is periodically reset at a frequency that does not match the duration for which the interest rate is established, the time value of money may be considered as modified and, depending on the significance of that modification, the cash flow criterion may not be met. Some financial assets held by BNP Paribas Fortis present a mismatch between the interest rate reset frequency and the maturity of the index, or interest rates indexed to an average of benchmark rate. BNP Paribas Fortis has developed a consistent methodology for analysing this alteration of the time value of money.

Regulated rates meet the cash flow criterion when they provide consideration that is broadly consistent with the passage of time and do not expose to risks or volatility in the contractual cash flows that would be inconsistent with those of a basic lending arrangement.

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the prepayment amount substantially represents the principal amount outstanding and the interest thereon, which may include reasonable compensation for the early termination of the contract. For example, as regards loans to retail customers, the compensation limited to six months of interest or 3% of the capital outstanding is considered reasonable. Actuarial penalties, corresponding to the present value of the difference between the residual contractual cash flows of the loan, and their reinvestment in a loan to a similar counterparty or in the interbank market for a similar residual maturity are also considered as reasonable, even when the compensation can be positive or negative (i.e. 'symmetric' compensation). An option that permits the issuer or the holder of a financial instrument to change the interest rate from floating to fixed rate does not breach the cash flow criterion if the fixed rate is determined at origination, or if it represents the time value of money for the residual maturity of the instrument at the date of exercise of the option. Clauses included in financing granted to encourage the sustainable development of companies which adjust the interest margin depending on the achievement of environmental, social or governance (ESG) objectives do not call into question the cash flow criterion when such an adjustment is considered to be minimal. Structured instruments indexed to ESG market indices do not meet the cash flow criterion.

In the particular case of financial assets contractually linked to payments received on a portfolio of underlying assets and which include a priority order for payment of cash flows between investors ('tranches'), thereby creating concentrations of credit risk, a specific analysis is carried out. The contractual characteristics of the tranche and those of the underlying financial instrument portfolios must meet the cash flow criterion and the credit risk exposure of the tranche must be equal to or lower than the exposure to credit risk of the underlying pool of financial instruments.

Certain loans may be 'non-recourse', either contractually, or in substance when they are granted to a special purpose entity. That is in particular the case of numerous project financing or asset financing loans. The cash flow criterion is met as long as these loans do not represent a direct exposure on the assets acting as collateral. In practice, the sole fact that the financial asset explicitly gives rise to cash flows that are consistent with payments of principal and interest is not sufficient to conclude that the instrument meets the cash flow criterion. In that case, the particular underlying assets to which there is limited recourse shall be analysed using the 'look-through' approach. If those assets do not themselves meet the cash flow criterion, the existing credit enhancement is assessed. The following aspects are considered: structuring and sizing of the transaction, own funds level of the structure, expected source of repayment, price volatility of the underlying assets. This analysis is applied to 'non-recourse' loans granted by BNP Paribas Fortis.

The 'financial assets at amortised cost' category includes, in particular, loans granted by BNP Paribas Fortis, as well as, reverse repurchase agreements and securities held by BNP Paribas Fortis ALM Treasury in order to collect contractual flows and meeting the cash flow criterion..

Recognition

On initial recognition, financial assets are recognised at fair value, including transaction costs directly attributable to the transaction as well as commissions related to the origination of the loans.

They are subsequently measured at amortised cost, including accrued interest and net of repayments of principal and interest during the past period. These financial assets are also subject from their initial recognition, to the measurement of a loss allowance for expected credit losses (note 1.g.4).

Interest is calculated using the effective interest method determined at inception of the contract.

1.g.2 Financial assets at fair value through Other Comprehensive Income

Debt instruments

Debt instruments are classified at fair value through other comprehensive income if the following two criteria are met:

- business model criterion: financial assets are held in a business model whose objective is achieved by both holding the financial assets in order to collect contractual cash flows and selling the financial assets ('collect and sale'). The latter is not incidental but is an integral part of the business model;
- cash flow criterion: the principles are identical to those applicable to financial assets at amortised cost.

The securities held by BNP Paribas Fortis ALM Treasury in order to collect contractual flows or to be sold and meeting the cash flow criterion are in particular classified in this category.

On initial recognition, financial assets are recognised at their fair value, including transaction costs directly attributable to the transaction. They are subsequently measured at fair value and changes in fair value are recognised, under a specific line of shareholders' equity entitled 'Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss'. These financial assets are also subject to the measurement of a loss allowance for expected credit losses on the same approach as for debt instruments at amortised cost. The counterparty of the related impact in 'Cost of risk' is recognised in the same specific line of shareholders' equity. On disposal, changes in fair value previously recognised in shareholders' equity are reclassified to profit or loss.

In addition, interest is recognised in the income statement using the effective interest method determined at the inception of the contract.

Equity instruments

Investments in equity instruments such as shares are classified on option, and on a case by case basis, at fair value through other comprehensive income (under a specific line).

On disposal of the shares, changes in fair value previously recognised in equity are not recognised in profit or loss. Only dividends, if they represent remuneration for the investment and not repayment of capital, are recognised in profit or loss. These instruments are not subject to impairment.

Investments in mutual funds puttable to the issuer do not meet the definition of equity instruments. They do not meet the cash flow criterion either, and thus are recognised at fair value through profit or loss.

1.g.3 Financing and guarantee commitments

Financing and financial guarantee commitments that are not recognised at fair value through profit or loss are presented in the note relating to Financing and guarantee commitments. They are subject to the measurement of a loss allowance for expected credit losses. These loss allowances are presented under 'provisions for contingencies and charges'.

BNP Paribas Fortis may issue performance guarantees in conjunction with integral indemnity agreements that provide BNP Paribas Fortis the right to claim back any amounts paid out from the party whose non-performance would have led to the guarantee being called. This type of commitment exposes BNP Paribas Fortis to credit risk and therefore results in the recognition of expected credit losses.

1.g.4 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income

The impairment model for credit risk is based on expected losses.

This model applies to loans and debt instruments measured at amortised cost or at fair value through equity, to loan commitments and financial guarantee contracts that are not recognised at fair value, as well as to lease receivables, trade receivables and contract assets.

General model

BNP Paribas Fortis identifies three stages that each correspond to a specific status with regards to the evolution of counterparty credit risk since the initial recognition of the asset:

- 12-month expected credit losses ('Stage 1'): If at the reporting date, the credit risk of the financial instrument has not increased significantly since its initial recognition, this instrument is impaired at an amount equal to 12-month expected credit losses (resulting from the risk of default within the next 12 months);
- Lifetime expected credit losses for non-impaired assets ('Stage 2'): The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition, but the financial asset is not considered credit impaired or doubtful;
- Lifetime expected credit losses for credit-impaired or doubtful financial assets ('Stage 3'): the loss allowance is also measured for an amount equal to the lifetime expected credit losses.

This general model is applied to all instruments within the scope of IFRS 9 impairment, except for purchased or originated credit-impaired financial assets and instruments for which a simplified model is used (see below).

The IFRS 9 expected credit loss approach is symmetrical, i.e. if lifetime expected credit losses have been recognised in a previous reporting period, and if it is assessed in the current reporting period that there is no longer any significant increase in credit risk since initial recognition, the loss allowance reverts to a 12-months expected credit loss.

As regards interest income, under 'stages' 1 and 2, it is calculated on the gross carrying amount. Under Stage 3, interest income is calculated on the amortised cost (i.e. the gross carrying amount adjusted for the loss allowance).

Definition of default

The definition of default is aligned with the Basel regulatory default definition, with a rebuttable presumption that the default occurs no later than 90 days past-due. This definition takes into account the EBA guidelines of 28 September 2016, notably those regarding the thresholds applicable for the counting of past-due and probation periods.

The definition of default is used consistently for assessing the increase in credit risk and measuring expected credit losses.

Credit-impaired or doubtful financial assets

Definition

A financial asset is considered credit-impaired or doubtful and classified in Stage 3 when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

At an individual level, objective evidence that a financial asset is credit-impaired includes observable data regarding the following events:

- the existence of accounts that are more than 90 days past due;
- knowledge or indications that the borrower is experiencing significant financial difficulties, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been in financial difficulty (see section 'Restructuring of financial assets for financial difficulties').

Specific cases of purchased or originated credit-impaired assets

In some cases, financial assets are credit-impaired at initial recognition.

For these assets, no loss allowance is recorded on initial recognition. The effective interest rate is calculated taking into account the lifetime expected credit losses in the initial estimated cash flows. Any change in lifetime expected credit losses since initial recognition, positive or negative, is recognised as a loss allowance adjustment in profit or loss.

Simplified model

The simplified approach consists in accounting for a loss allowance corresponding to lifetime expected credit losses since initial recognition, and at each reporting date.

BNP Paribas Fortis applies this model to trade receivables with a maturity shorter than 12 months.

Significant increase in credit risk

A significant increase in credit risk may be assessed on an individual basis or on a collective basis (by grouping financial instruments according to common credit risk characteristics), taking into account all reasonable and supportable information and comparing the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition.

Assessment of deterioration is based on the comparison of the probabilities of default derived from the ratings on the date of initial recognition with those existing at the reporting date.

There is also, according to the standard, a rebuttable presumption that the credit risk of an instrument has significantly increased since initial recognition when the contractual payments are more than 30 days past due.

In the consumer credit specialist business, a significant increase in credit risk is also considered when a past due event has occurred within the last 12 months, even if it has since been regularised.

The approaches applied to assess the significant increase in credit risk are detailed in note 2.g 'Cost of risk'.

Measurement of expected credit losses

Expected credit losses are defined as an estimate of credit losses (i.e. the present value of all cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of the financial instruments. They are measured on an individual basis, for all exposures.

In practice, for exposures classified in Stage 1 and Stage 2, expected credit losses are measured as the product of the probability of default ('PD'), loss given default ('LGD') and exposure at default ('EAD'), discounted at the effective interest rate of the exposure (EIR). They result from the risk of default within the next 12 months (Stage 1), or from the risk of default over the maturity of the facility (Stage 2). In the consumer credit specialist business, because of the specificity of credit exposures, the methodology used is based on the probability of transition to term forfeiture, and on discounted loss rates after term forfeiture. These parameters are measured on a statistical basis for homogeneous populations. From 2024, this specificity no longer applies to most exposures in the eurozone.

For exposures classified in Stage 3, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash flows that are due in accordance with the contract, and the cash flows that are expected to be received. Where appropriate, the estimate of expected cash flows takes into account a cash flow scenario arising from the sale of the defaulted loans or groups of loans. Proceeds from the sale are recorded net of costs to sell.

The methodology developed is based on existing concepts and methods (in particular the Basel framework) on exposures for which capital requirement for credit risk is measured according to the IRBA methodology. This method is also applied to portfolios for which capital requirement for credit risk is measured according to the standardised approach. Besides, the Basel framework has been adjusted in order to be compliant with IFRS 9 requirements, in particular the use of forward-looking information.

Maturity

All contractual terms of the financial instrument are taken into account, including prepayment, extension and similar options. In the rare cases where the expected life of the financial instrument cannot be estimated reliably, the residual contractual term is used.

The standard specifies that the maximum period to consider when measuring expected credit losses is the maximum contractual period. However, for revolving credit cards and overdrafts, in accordance with the exception provided by IFRS 9 for these products, the maturity considered for measuring expected credit losses is the period over which the entity is exposed to credit risk, which may extend beyond the contractual maturity (notice period). For revolving credits and overdrafts to non-retail counterparties, the contractual maturity can be used, for example if the next review date is the contractual maturity as they are individually managed.

Probabilities of Default (PD)
Probability of Default is an estimate of the likelihood of default over a given time horizon.

The determination of the PD is based on the internal rating system of BNP Paribas Fortis. Environmental, social and governance (ESG) risks are taken into account in credit and rating policies.

The measurement of expected credit losses requires the estimation of both 1 year probabilities of default and lifetime probabilities of default:

- 1-year PDs are derived from long-term average regulatory 'through the cycle' PDs to reflect the current situation and macroeconomic scenarios ('point in time' or 'PIT');
- lifetime PDs are determined based on the rating migration matrices reflecting the expected changes in the rating of the exposure until maturity, and the associated probabilities of default.

Loss Given Default (LGD)
Loss Given Default is the difference between contractual cash flows and expected cash flows, discounted using the effective interest rate (or an approximation thereof) at the default date. LGD is expressed as a percentage of the Exposure At Default (EAD).

The estimate of expected cash flows takes into account cash flows resulting from the sale of collateral held or other credit enhancements if they are part of the contractual terms and are not accounted for separately by the entity (for example, a mortgage associated with a residential loan), net of the costs of obtaining and selling the collateral.

For guaranteed loans, the guarantee is considered as integral to the loan agreement if it is embedded in the contractual clauses of the loan, or if it was granted concomitantly to the loan, and if the expected reimbursement amount can be attached to a loan in particular (i.e. absence of pooling effect by means of a tranching mechanism, or the existence of a global cap for a whole portfolio). In such case, the guarantee is taken into account when measuring the expected credit losses. Otherwise, it is accounted for as a separate reimbursement asset.

The LGD used for IFRS 9 purposes is derived from the Basel LGD parameters. It is adjusted for downturn and conservatism margins (in particular regulatory margins), except for margins for model uncertainties.

Exposure At Default (EAD)
Exposure At Default (EAD) of an instrument is the anticipated outstanding amount owed by the obligor at the time of default. It is determined by the expected payment profile taking into account, depending on the product type: the contractual repayment schedule, expected early repayments and expected future drawings for revolving facilities.

Forward looking information
The amount of expected credit losses is measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable and supportable economic forecasts.

The approaches applied to take into account forward looking information when measuring expected credit losses are detailed in note 2.g 'Cost of risk'.

Write-offs

A write-off consists in reducing the gross carrying amount of a financial asset when there are no longer reasonable expectations of recovering that financial asset in its entirety or a portion thereof, or when it has been fully or partially forgiven. The write-off is recorded when all other means available to the Bank for recovering the receivables or guarantees have failed, and also generally depends on the context specific to each jurisdiction.

If the amount of loss on write-off is greater than the accumulated loss allowance, the difference is recognised as an additional impairment loss in 'Cost of risk'. For any recovery once the financial asset (or part thereof) is no longer recognised on the balance-sheet, the amount received is recorded as a gain in 'Cost of risk'.

Recoveries through the repossession of the collateral

When a loan is secured by a financial or a non-financial asset serving as a guarantee and the counterparty is in default, BNP Paribas Fortis may decide to exercise the guarantee and, depending on the jurisdiction, it may then become owner of the asset. In such a situation, the loan is written-off against the asset received as collateral.

Once ownership of the asset is effective, it is recognised at fair value and classified according to the intent of use.

Restructuring of financial assets for financial difficulties

A restructuring due to the borrower's financial difficulties is defined as a change in the terms and conditions of the initial transaction that BNP Paribas Fortis is considering only for economic or legal reasons related to the borrower's financial difficulties.

For restructurings not resulting in derecognition of the financial asset, the restructured asset's gross carrying amount is reduced to the discounted amount, using the original effective interest rate of the asset, of the new expected future flows. The change in the gross carrying amount of the asset is recorded in the income statement in 'Cost of risk'.

The existence of a significant increase in credit risk for the financial instrument is then assessed by comparing the risk of default after the restructuring (under the revised contractual terms) and the risk of default at the initial recognition date (under the original contractual terms). In order to demonstrate that the criteria for recognising lifetime expected credit losses are no longer met, good payment behaviour will have to be observed over a certain period of time.

When the restructuring consists of a partial or total exchange against other substantially different assets (for example, the exchange of a debt instrument against an equity instrument), it results in the extinction of the original asset and the recognition of the assets remitted in exchange, measured at their fair value at the date of exchange. The difference in value is recorded in the income statement in 'Cost of risk'.

Modifications to financial assets that are not due to a borrower's financial difficulties, or granted in the context of a moratorium (i.e. commercial renegotiations) are generally analysed as the early repayment of the former loan, which is then derecognised, followed by the set-up of a new loan at market conditions. If there is no significant repayment penalty, they consist in resetting the interest rate of the loan at market conditions, with the client being in a position to change lender and not encountering any financial difficulties.

Probation periods

BNP Paribas Fortis applies observation periods to assess the possible return to a better stage. Accordingly, a 3-month probation period is observed for the transition from stage 3 to stage 2 which is extended to 12 months in the event of restructuring due to financial difficulties.

For the transition from stage 2 to stage 1, a probation period of two years is observed for loans that have been restructured due to financial difficulties.

1.g.5 Cost of risk

'Cost of risk' includes the following items of profit or loss:

- impairment gains and losses resulting from the accounting of loss allowances for 12-month expected credit losses and lifetime expected credit losses ('Stage 1' and 'Stage 2') relating to debt instruments measured at amortised cost or at fair value through other comprehensive income, loan commitments and financial guarantee contracts that are not recognised at fair value as well as lease receivables, contract assets and trade receivables;
- impairment gains and losses resulting from the accounting of loss allowances relating to financial assets (including those at fair value through profit or loss) for which there is objective evidence of impairment ('Stage 3'), write-offs on irrecoverable loans and amounts recovered on loans written-off.

It also includes expenses relating to fraud and to disputes inherent to the financing activity.

1.g.6 Financial instruments at fair value through profit or loss

Trading portfolio and other financial assets measured at fair value through profit or loss

The trading portfolio includes instruments held for trading (trading transactions), including derivatives.

Other financial assets measured at fair value through profit or loss include debt instruments that do not meet the 'collect' or 'collect and sale' business model criterion or that do not meet the cash flow criterion, as well as equity instruments for which the fair value through other comprehensive income option has not been retained. Finally, financial assets may be designated as at fair value through profit or loss if this enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would otherwise arise if they were to be classified in separate categories.

All those financial instruments are measured at fair value at initial recognition, with transaction costs directly posted in profit or loss. At the reporting date, they are measured at fair value, with changes presented in 'Net gain/loss on financial instruments at fair value through profit or loss'. Income, dividends and realised gains and losses on disposal related to held-for-trading transactions are accounted for in the same profit or loss account.

Financial liabilities designated as at fair value through profit or loss

Financial liabilities are recognised under option in this category in the two following situations:

- for hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- when using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would otherwise arise if they were to be classified in separate categories.

Changes in fair value due to the own credit risk are recognised under a specific heading of shareholders' equity.

1.g.7 Financial liabilities and equity instruments

A financial instrument issued or its various components are classified as a financial liability or equity instrument, in accordance with the economic substance of the legal contract.

Financial instruments issued by BNP Paribas Fortis are qualified as debt instruments if the entity in the Group of BNP Paribas Fortis issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if BNP Paribas Fortis is required to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to BNP Paribas Fortis, or to deliver a variable number of BNP Paribas Fortis' own equity instruments.

Equity instruments result from contracts evidencing a residual interest in an entity's assets after deducting all of its liabilities.

Debt securities and subordinated debt

Debt securities and subordinated debt are measured at amortised cost unless they are recognised at fair value through profit or loss.

Debt securities are initially recognised at the issue value including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Issued bonds redeemable or convertible into own equity may contain a debt component and an equity component, determined upon initial recognition of the transaction. In this case, they will be qualified as compound financial instruments.

Equity instruments

The term 'own equity instruments' refers to shares issued by BNP Paribas Fortis and by its fully consolidated subsidiaries. External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

Own equity instruments held by BNP Paribas Fortis, also known as treasury shares, are deducted from consolidated shareholders' equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated profit and loss account.

When BNP Paribas Fortis acquires equity instruments issued by subsidiaries under the exclusive control of BNP Paribas Fortis, the difference between the acquisition price and the share of net assets acquired is recorded in retained earnings attributable to BNP Paribas Fortis shareholders. Similarly, the liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are offset against minority interests, with any surplus offset against retained earnings attributable to BNP Paribas Fortis shareholders. Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the profit and loss account. A decrease in BNP Paribas Fortis' interest in a fully consolidated subsidiary is recognised in BNP Paribas Fortis' accounts as a change in shareholders' equity.

Financial instruments issued by BNP Paribas Fortis and classified as equity instruments (e.g. Undated Super Subordinated Notes) are presented in the balance sheet in 'Capital and retained earnings'.

Distributions from a financial instrument classified as an equity instrument are recognised directly as a deduction from equity. Similarly, the transaction costs of an instrument classified as equity are recognised as a deduction from shareholders' equity.

Own equity instrument derivatives are treated as follows, depending on the method of settlement:

- as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives if they are settled in cash or by choice by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

If the contract includes an obligation, whether contingent or not, for the Bank to repurchase its own shares, the Bank recognises the debt at its present value with an offsetting entry in shareholders' equity.

1.g.8 Hedge accounting

BNP Paribas Fortis retained the option provided by the standard to maintain the hedge accounting requirements of IAS 39 until the future standard on macro-hedging is entered into force. Furthermore, IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions in IAS 39 for these portfolio hedges, as adopted by the European Union, continue to apply.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Fair value hedges are particularly used to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, demand deposits and fixed rate loans).

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast foreign currency revenues.

At the inception of the hedge, BNP Paribas Fortis prepares formal documentation which details the hedging relationship, identifying the instrument, or portion of the instrument, or portion of risk that is being hedged, the hedging strategy and the type of risk hedged, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, BNP Paribas Fortis assesses, in consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

Under IAS 39 as adopted by the European Union, which excludes certain provisions on portfolio hedging, interest rate risk hedging relationships based on portfolios of assets or liabilities qualify for fair value hedge accounting as follows:

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);
- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlying;
- the hedging instruments used consist exclusively of 'plain vanilla' swaps;

- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlying. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlying specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

The accounting treatment of derivatives and hedged items depends on the hedging strategy.

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value recognised in profit or loss in 'Net gain/loss on financial instruments at fair value through profit or loss', symmetrically with the remeasurement of the hedged item to reflect the hedged risk. In the balance sheet, the fair value remeasurement of the hedged component is recognised in accordance with the classification of the hedged item in the case of a hedge of identified assets and liabilities, or under 'Remeasurement adjustment on interest rate risk hedged portfolios' in the case of a portfolio hedging relationship.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging instrument is transferred to the trading book and accounted for using the treatment applied to this category. In the case of identified fixed-income instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of interest rate risk hedged fixed-income portfolios, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge. If the hedged item no longer appears in the balance sheet, in particular due to prepayments, the adjustment is taken to the profit and loss account immediately.

In a cash flow hedging relationship, the derivative is measured at fair value in the balance sheet, with changes in fair value taken to shareholders' equity on a separate line, 'Changes in fair value recognised directly in equity'. The amounts taken to shareholders' equity over the life of the hedge are transferred to the profit and loss account under 'Net interest income' as and when the cash flows from the hedged item impact profit or loss. The hedged items continue to be accounted for using the treatment specific to the category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in shareholders' equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss, or until it becomes clear that the transaction will not occur, at which point they are transferred to the profit and loss account.

If the hedged item ceases to exist, the cumulative amounts recognised in shareholders' equity are immediately taken to the profit and loss account.

Whatever the hedging strategy used, any ineffective portion of the hedge is recognised in the profit and loss account under 'Net gain/loss on financial instruments at fair value through profit or loss'.

Hedges of net foreign currency investments in subsidiaries and branches are accounted for in the same way as cash flow hedges. Hedging instruments may be foreign exchange derivatives or any other non-derivative financial instrument.

1.g.9 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

BNP Paribas Fortis determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model, and interpolation techniques). They maximise the use of observable inputs and minimise the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, BNP Paribas Fortis retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

Assets and liabilities measured or disclosed at fair value are categorised into the three following levels of the fair value hierarchy:

- Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices;
- Level 2: fair values are determined based on valuation techniques for which significant inputs are observable market data, either directly or indirectly. These techniques are regularly calibrated and the inputs are corroborated with information from active markets;
- Level 3: fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there are no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment.

The level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value measurement.

For financial instruments disclosed in Level 3 of the fair value hierarchy and marginally some instruments disclosed in Level 2, a difference between the transaction price and the fair value may arise at initial recognition. This 'Day One Profit' is deferred and released to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

1.g.10 Derecognition of financial assets and financial liabilities

Derecognition of financial assets

BNP Paribas Fortis derecognises all or part of a financial asset when the contractual rights to the cash flows of the asset expire or when BNP Paribas Fortis transfers the asset - either on the basis of a transfer of the contractual rights to its cash flows or by retaining the contractual rights to receive the cash flows of the asset while assuming an obligation to pay the cash flows of the asset under an eligible pass-through arrangement - as well as substantially all the risks and rewards of the asset.

Where BNP Paribas Fortis has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset and has not in practice retained control of the financial asset, BNP Paribas Fortis derecognises the financial asset and then records separately, if necessary, an asset or liability representing the rights and obligations created or held as part of the transfer of the asset. If BNP Paribas Fortis has retained control of the financial asset, it maintains it on its balance sheet to the extent of its continuing involvement in that asset.

Upon the derecognition of a financial asset in its entirety, a gain or loss on disposal is recognised in the profit and loss account for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, adjusted where appropriate for any unrealised gain or loss previously recognised directly in equity.

If all these conditions are not met, BNP Paribas Fortis retains the asset in its balance sheet and recognises a liability for the obligations arising on the transfer of the asset.

Derecognition of financial liabilities

BNP Paribas Fortis derecognises all or part of a financial liability when the liability is extinguished, i.e. when the obligation specified in the contract is extinguished, cancelled or expired. A financial liability may also be derecognised in the event of a substantial change in its contractual terms or if exchanged with the lender for an instrument with substantially different contractual terms.

Repurchase agreements and securities lending/borrowing

Securities temporarily sold under repurchase agreements continue to be recognised in the BNP Paribas Fortis balance sheet in the category of securities to which they belong. The corresponding liability is recognised at amortised cost under the appropriate 'Financial liabilities at amortised cost' category on the balance sheet, except in the case of repurchase agreements contracted for trading purposes, for which the corresponding liability is recognised in 'Financial liabilities at fair value through profit or loss'.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the BNP Paribas Fortis balance sheet. The corresponding receivable is recognised at amortised cost under the appropriate 'Financial assets at amortised cost' category in the balance sheet, except in the case of reverse repurchase agreements contracted for trading purposes, for which the corresponding receivable is recognised in 'Financial assets at fair value through profit or loss'.

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by BNP Paribas Fortis, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under 'financial liabilities at fair value through profit or loss'.

1.g.11 Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, BNP Paribas Fortis has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives that meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.h Property, plant, equipment and intangible assets

Property, plant and equipment and intangible assets shown in the consolidated balance sheet are composed of assets used in operations and investment property. Rights-of-use related to leased assets (see note 1.i.2) are presented by the lessee within fixed assets in the same category as similar assets held.

Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by BNP Paribas Fortis as lessor under operating leases.

Property that was previously used in operations and that is withdrawn from use with the intention to redevelop for future sale is transferred from 'Property, plant and equipment' to 'Other assets' at its carrying amount.

Property under development is measured in accordance with IAS 2 'Inventories' at the lower of cost and net realisable value, which is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. A write-down of these inventories to net realisable value is recognised in profit and loss as 'Expense on other activities' in the period the write-down occurs.

Investment property comprises property assets held to generate rental income and capital gains and is recognised at cost.

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software developed internally by BNP Paribas Fortis that fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external costs and the labour costs of employees directly attributable to the project.

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses.

The depreciable amount of property, plant and equipment and intangible assets is calculated after deducting the residual value of the asset. Only assets leased by BNP Paribas Fortis as the lessor under operating leases are presumed to have a residual value, as the useful life of property, plant and equipment and intangible assets used in operations is generally the same as their economic life.

Property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expense is recognised in the profit and loss account under 'Depreciation, amortisation and impairment of property, plant and equipment and intangible assets'.

Where an asset consists of a number of components which may require replacement at regular intervals, or which have different uses or generate economic benefits at different rates, each component is recognised separately and depreciated using a method appropriate to that component. BNP Paribas Fortis has adopted the component-based approach for property used in operations and for investment property.

The depreciation periods used for office property are as follows: 80 years or 60 years for the shell (for prime and other property respectively); 30 years for facades; 20 years for general and technical installations; and 10 years for fixtures and fittings.

Software is amortised, depending on its type, over periods of no more than 8 years in the case of infrastructure developments and 3 years or 5 years in the case of software developed primarily for the purpose of providing services to customers.

Software maintenance costs are expensed as incurred. However, expenditure that is regarded as upgrading the software or extending its useful life is included in the initial acquisition or production cost.

Depreciable property, plant and equipment and intangible assets are tested for impairment if there is an indication of potential impairment at the balance sheet date. Non-depreciable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount. If the asset is found to be impaired, an impairment loss is recognised in the profit and loss account. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment losses are taken to the profit and loss account in 'Depreciation, amortisation and impairment of property, plant and equipment and intangible assets'.

Gains and losses on disposals of property, plant and equipment and intangible assets used in operations are recognised in the profit and loss account in 'Net gain on non-current assets'.

When property under development is sold, its carrying amount is recognised in the profit and loss account 'Expense on other activities' in the period in which the related revenue is recognised in profit and loss as 'Income from other activities'.

Gains and losses on disposals of investment property are recognised in the profit and loss account in 'Income from other activities' or 'Expense on other activities'.

1.i Leases

BNP Paribas Fortis' companies may either be the lessee or the lessor in a lease agreement.

1.i.1 BNP Paribas Fortis as lessor

Leases contracted by BNP Paribas Fortis as lessor are categorised as either finance leases or operating leases.

Finance leases

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable. The net income earned from the lease by the lessor is equal to the amount of interest on the loan, and is taken to the profit and loss account under 'Interest income'. The lease payments are spread over the lease term, and are allocated to reduction of the principal and to interest, such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease.

Impairments of lease receivables are determined using the same principles as applied to financial assets measured at amortised cost.

Operating leases

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor's balance sheet and depreciated on a straight-line basis over its useful life. The depreciable amount excludes the residual value of the asset. The lease payments are taken to the profit and loss account in full on a straight-line basis over the lease term. Lease payments and depreciation expenses are taken to the profit and loss account under 'Income from other activities' and 'Expense on other activities'.

Operating leases of vehicles

The vast majority of the vehicle leasing contracts do not transfer the risks and rewards incidental to ownership and thus, are operating lease contracts. For simplification purposes and due to their non-material nature, contracts that do not fall under operating leases are not presented separately.

There is no buy-back agreement in the contracts with car manufacturers.

The operating leases are measured at cost less accumulated depreciation and impairment losses. Costs consist of the purchase price and directly attributable costs.

The leased assets are depreciated on a straight line basis over their contract period to their residual value. The depreciation policy shall reflect the entity's pattern of consumption of the future economic benefits. The residual value of the asset is the estimated amount that the entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

The valuation of the vehicle fleet takes into account the impact of the environmental context and the energy transition.

So, to calculate the amortisation of the rental fleet:

- the residual value and the useful life of the leased assets are reviewed each month;
- changes from the previous month's review are accounted prospectively as a change in accounting estimate.

Rental fleet impairment is established in accordance with the policies described in note 1.g Property, plant, equipment and intangible assets.

Revenues are mainly composed of rents charged to customers. In addition to the rental price of the vehicle (including depreciation and interest), the rents include various services that the customer can subscribe to.

The lease incomes are taken to the profit or loss account in full on a straight-line basis over the lease term. They are taken to the profit or loss account under 'Income from other activities' whereas depreciation expenses are classified under 'Expense on other activities'.

Income from other rental-related services are recorded in accordance with the five-steps principles determined by IFRS 15 'Revenue from contract with customers' for the recognition of revenue.

Since the implementation of this standard, revenues derived from maintenance and tyres services, previously recognized on a linear basis, are now recognised to the extent that the service is rendered and the related costs are incurred. Therefore, a deferred income is booked in the 'Expense on other activities'.

1.i.2 BNP Paribas Fortis as lessee

Lease contracts concluded by BNP Paribas Fortis, with the exception of contracts whose term is shorter than or equal to 12 months and low-value contracts, are recognised in the balance-sheet in the form of a right of use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets are amortised on a straight-line basis and the financial liabilities are amortised on an actuarial basis over the lease period. Dismantling costs corresponding to specific and significant fittings and fixtures are included in the initial right-of-use estimation, in counterparty of a provision liability.

The key hypotheses used by BNP Paribas Fortis for the measurement of rights of use and lease liabilities are the following;

- The lease term corresponds to the non-cancellable period of the contract, together with periods covered by an extension option if BNP Paribas Fortis is reasonably certain to exercise this option. In Belgium, the standard commercial lease contract is the so-called 'three, six, nine' contract for which the maximum period of use is nine years, with a first non-cancellable period of three years followed by two optional extension periods of three years each; hence, depending on the assessment, the lease term can be of three, six or nine years. When investments like fittings or fixtures are performed under the contract, the lease term is aligned with their useful lives. For tacitly renewable contracts, with or without an enforceable period, related right of use and lease liabilities are recognised based on an estimate of the reasonably foreseeable economic life of the contracts, minimal occupation period included;

- The discount rate used to measure the right of use and the lease liability is assessed for each contract as the interest rate implicit in the lease, if that rate can be readily determined, or more generally based on the incremental borrowing rate of the lessee at the date of signature. The incremental borrowing rate is determined considering the average term (duration) of the contract;
- When the contract is modified, a new assessment of the lease liability is made taking into account the new residual term of the contract, and therefore a new assessment of the right of use and the lease liability is established.

1.j Assets held for sale and discontinued operations

Where BNP Paribas Fortis decides to sell assets or a group of assets and liabilities and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line 'Assets held for sale'. Any liabilities associated with these assets are also shown separately in the balance sheet, on the line 'Liabilities associated with assets held for sale'. When BNP Paribas Fortis is committed to a sale plan involving loss of control of a subsidiary and the sale is highly probable within 12 months, all the assets and liabilities of that subsidiary are classified as held for sale.

Once classified in this category, assets and the group of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a cash generating unit, it is categorised as a 'discontinued operation'. Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

In this case gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line 'Net income from discontinued activities'. This line includes after tax profits or losses of discontinued operations, after tax gain or loss arising from remeasurement at fair value less costs to sell, and after tax gain or loss on disposal of the operation.

1.k Employee benefits

Employee benefits are classified into four categories:

- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
- termination benefits;
- post-employment benefits.

Short-term benefits

BNP Paribas Fortis recognises an expense when it has used services rendered by employees in exchange for employee benefits.

Long-term benefits

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that the revaluation items are recognised in the profit and loss account and not in equity.

Termination benefits

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by BNP Paribas Fortis to terminate a contract of employment before the legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for these benefits. Termination benefits due more than 12 months after the balance sheet date are discounted.

Post-employment benefits

In accordance with IFRS, BNP Paribas Fortis draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for BNP Paribas Fortis and do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for BNP Paribas Fortis. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these two categories is based on the economic substance of the plan, which is reviewed to determine whether BNP Paribas Fortis has a legal or constructive obligation to pay the agreed benefits to employees.

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take demographic and financial assumptions into account.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of plan assets (if any).

The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by BNP Paribas Fortis, using the projected unit credit method. This method takes into account various parameters, specific to each country or entity of BNP Paribas Fortis, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

When the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for BNP Paribas Fortis in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The annual expense recognised in the profit and loss account under 'Salaries and employee benefits', with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability (asset), the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of the net defined-benefit liability (asset) are recognised in shareholders' equity and are never reclassified to profit or loss. They include actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.l Share-based payments

Share-based payment transactions are payments based on shares issued by BNP Paribas, whether the transaction is settled in the form of equity or cash of which the amount is based on trends in the value of BNP Paribas shares.

Stock option and share award plans

The expense related to stock option and share award plans is recognised over the vesting period, if the benefit is conditional upon the grantee's continued employment.

Stock options and share award expenses are recorded under salary and employee benefits expenses, with a corresponding adjustment to shareholders' equity in the accounts of BNP Paribas. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account any performance conditions related to the BNP Paribas share price. The total expense of a plan is determined by multiplying the unit value per option or share awarded by the estimated number of options or shares awarded vested at the end of the vesting period, taking into account the conditions regarding the grantee's continued employment.

The only assumptions revised during the vesting period, and hence resulting in a remeasurement of the expense, are those relating to the probability that employees will leave BNP Paribas Fortis and those relating to performance conditions that are not linked to the price value of BNP Paribas shares.

Share price-linked cash-settled deferred compensation plans

The expense related to these plans is recognised in the year during which the employee rendered the corresponding services.

If the payment of share-based variable compensation is explicitly subject to the employee's continued presence at the vesting date, the services are presumed to have been rendered during the vesting period and the corresponding compensation expense is recognised on a pro rata basis over that period. The expense is recognised under salary and employee benefits expenses with a corresponding liability in the balance sheet. It is revised to take into account any non-fulfilment of the continued presence or performance conditions and the change in BNP Paribas share price.

If there is no continued presence condition, the expense is not deferred, but recognised immediately with a corresponding liability in the balance sheet. This is then revised on each reporting date until settlement to take into account any performance conditions and the change in the BNP Paribas share price.

1.m Provisions recorded under liabilities

Provisions recorded under liabilities (other than those relating to financial instruments and employee benefits) mainly relate to restructuring, claims and litigation, fines and penalties.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted, where the impact of discounting is material, in order to determine the amount of the provision.

1.n Current and deferred tax

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which BNP Paribas Fortis operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in enterprises under the exclusive or joint control of BNP Paribas Fortis, where BNP Paribas Fortis is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

Deferred tax assets and liabilities are offset when they arise within the same tax group, they fall under the jurisdiction of a single tax authority, and there is a legal right to offset.

As regards the assessment of uncertainty over income tax treatments, BNP Paribas Fortis adopts the following approach:

- BNP Paribas Fortis assesses whether it is probable that a taxation authority will accept an uncertain tax treatment;
- any uncertainty shall be reflected when determining the taxable profit (loss) by considering either the most likely

amount (having the higher probability of occurrence), or the expected value (sum of the probability-weighted amounts).

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, except for those relating to a transaction or an event directly recognised in shareholders' equity, which are also recognised in shareholders' equity. This concerns in particular the tax effect of coupons paid on financial instruments issued by BNP Paribas Fortis and qualified as equity instruments, such as Undated Super Subordinated Notes.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense continues to be carried in the profit and loss account under 'Corporate income tax'.

In accordance with the provisions of IAS 12, the Group applies the mandatory and temporary exception not to recognise deferred taxes associated with the additional tax resulting from the minimum income tax applied by international groups.

1.o Cash flow statement

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks, and the net balance of interbank demand loans and deposits.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the BNP Paribas Fortis' operations, including those relating to negotiable certificates of deposit.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to bonds and subordinated debt, and debt securities (excluding negotiable certificates of deposit).

1.p Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the date of the preparation of the financial statements when making their estimates. The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- the analysis of the cash flow criterion for specific financial assets;
- the measurement of expected credit losses. This applies in particular to the assessment of significant increase in credit risk, the models and assumptions used to measure expected credit losses, the determination of the different economic scenarios and their weighting;
- the analysis of renegotiated loans, in order to assess whether they should be maintained on the balance-sheet or derecognised;
- the assessment of an active market, and the use of internally developed models for the measurement of the fair value of financial instruments not quoted in an active market classified in 'Financial assets at fair value through Other Comprehensive Income' or in 'Financial instruments at fair value through profit or loss', whether as assets or liabilities, and more generally calculations of the fair value

of financial instruments subject to a fair value disclosure requirement;

- the assumptions applied to assess the sensitivity to each type of market risk of the market value of financial instruments and the sensitivity of these valuations to the main unobservable inputs as disclosed in the notes to the financial statements;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- the impairment tests performed on goodwill and intangible assets;
- the impairment testing of investments in equity-method entities;
- the estimation of residual asset values under simple lease agreements. These values are used as a basis for the determination of depreciation as well as any impairment, notably in relation to the effect of environmental considerations on the evaluation of future prices of second-hand vehicles;
- the deferred tax assets;
- the measurement of uncertainty over income tax treatments and other provisions for contingencies and charges (including the provisions for employee benefits). In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. BNP Paribas Fortis may also use the opinion of experts and independent legal advisers to exercise its judgement.

2 Notes to the profit and loss account for the year ended 31 December 2024

2.a Net interest income

BNP Paribas Fortis includes in 'interest income' and 'interest expense' all income and expense calculated using the effective interest method (interest, fees and transaction costs) from financial instruments measured at amortised cost and financial instruments measured at fair value through equity.

These items also include the interest income and expense of non-trading financial instruments, the characteristics of which do not allow for recognition at amortised cost or at fair value through equity, as well as of financial instruments that the bank has designated as at fair value through profit or loss. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under 'Net gain on financial instruments at fair value through profit or loss'.

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In the case of a negative interest rates related to loans and receivables or deposits from customers and credit institutions, they are accounted for in interest expense or interest income respectively.

	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
In millions of euros	Income	Expense	Net	Income	Expense	Net
FINANCIAL INSTRUMENTS AT AMORTISED COST	15,241	(10,128)	5,113	12,412	(6,921)	5,491
Deposits, loans and borrowings	12,338	(7,575)	4,763	10,249	(4,944)	5,305
Repurchase agreements	781	(1,270)	(489)	604	(1,167)	(563)
Finance leases	1,623	(108)	1,515	1,342	(101)	1,241
Debt securities	499	-	499	217	-	217
Issued debt securities and subordinated debts	-	(1,175)	(1,175)	-	(709)	(709)
FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY	509	-	509	275	-	275
FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (TRADING SECURITIES EXCLUDED)	36	(96)	(60)	10	(80)	(70)
CASH FLOW HEDGE INSTRUMENTS	294	(371)	(77)	273	(299)	(26)
INTEREST RATE PORTFOLIO HEDGE INSTRUMENTS	1,863	(2,623)	(760)	2,071	(2,969)	(898)
LEASE LIABILITIES	-	(19)	(19)	-	(15)	(15)
Net interest income/expense	**17,943**	**(13,237)**	**4,706**	**15,041**	**(10,284)**	**4,757**

Interest income on individually impaired loans amounted to 72 million euros in the year ending 31 December 2024, compared with 47 million euros in the year ending 31 December 2023.

2.b Commission income and expense

In millions of euros	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	142	(49)	93	138	(62)	76
Securities and derivatives transactions	1,404	(494)	910	1,098	(332)	766
Financing and guarantee commitments	196	(18)	178	191	(26)	165
Asset management and other services	685	(11)	674	659	(11)	648
Others	311	(595)	(284)	355	(571)	(216)
Net Commission income/expense	**2,738**	**(1,167)**	**1,571**	**2,441**	**(1,002)**	**1,439**
Of which net commission income related to trust and similar activities through which BNP Paribas Fortis holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions	*485*	*(4)*	*481*	*460*	*(7)*	*453*
Of which commission income and expense on financial instruments not measured at fair value through profit or loss	*369*	*(75)*	*294*	*373*	*(92)*	*281*

2.c Net gain on financial instruments at fair value through profit or loss

Net gain on financial instruments measured at fair value through profit or loss includes all profit and loss items relating to financial instruments managed in the trading book, non-trading equity instruments that BNP Paribas Fortis did not choose to measure at fair value through equity, financial instruments that the bank has designated as at fair value through profit or loss, as well as debt instruments whose cash flows are not solely repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets.

These income items include dividends on these instruments and exclude interest income and expense from financial instruments designated as at fair value through profit or loss and instruments whose cash flows are not only repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets, which are presented in 'interest income' (note 2.a).

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
TRADING BOOK	**76**	**570**
Interest rate and credit instruments	60	86
Equity financial instruments	91	106
Foreign exchange financial instruments	98	512
Loans and repurchase agreements	(173)	(134)
Other financial instruments	-	-
FINANCIAL INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS	**(152)**	**(144)**
OTHER FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS	**120**	**90**
IMPACT OF HEDGE ACCOUNTING	**(3)**	**2**
Fair value hedging derivatives	164	383
Hedged items in fair value hedge	(167)	(381)
Net gain or loss on financial instruments at fair value through profit or loss	**41**	**518**

Foreign exchange financial instruments includes the realized and unrealized foreign exchange results.

Gains and losses on financial instruments designated as at fair value through profit or loss are mainly related to instruments whose changes in value may be compensated by changes in the value of economic hedging trading book instruments.

Net gains on the trading book in 2024 and 2023 include a non-material amount related to the ineffective portion of cash flow hedges.

Potential sources of ineffectiveness can be the differences between hedging instruments and hedged items, notably generated by mismatches in the terms of hedged and hedging instruments, such as the frequency and timing of interest rates resetting, the frequency of payments and the discounting factors, or when hedging derivatives have a non-zero fair value at inception date of the hedging relationship. Credit valuation adjustments applied to hedging derivatives are also sources of ineffectiveness.

Cumulated changes in fair value related to discontinued cash flow hedge relationships, previously recognised in equity and included in the 2024 profit and loss account were not material, whether the hedged item ceased to exist or not.

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2.d Net gain on financial instruments at fair value through equity

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
NET GAIN ON DEBT INSTRUMENTS [1]	11	14
Dividend income on equity instruments	9	6
Net gain or loss on financial instruments at fair value through equity	**20**	**20**

(1) Interest income from debt instruments is included in 'Net interest income' (Note 2.a), and impairment losses related to potential issuer default are included in 'Cost of risk' (Note 2.g).

Unrealised gains and losses on debt securities previously recorded under 'Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss' and included in the pre-tax income, amount to a net gain of 10 million euros for the year ended 31 December 2024 compared with (3) million euros for the year ended 31 December 2023.

2.e Net income from other activities

In millions of euros	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
	Income	Expense	Net	Income	Expense	Net
Net income from investment property	32	(7)	25	39	(8)	31
Net income from assets held under operating leases	19,402	(15,602)	3,800	15,684	(12,046)	3,638
Other net income	961	(898)	63	974	(957)	17
Total net income from other activities	**20,395**	**(16,507)**	**3,888**	**16,697**	**(13,011)**	**3,686**

The amount in Net Income from assets held under operating leases are almost fully linked to the vehicle lease activity. Including the funding costs linked to this activity (reported in note 2.a Net Interest Margin), 31% (2023: 23%) of the revenues are attributable to the Lease Contract Margin, 38% (2023: 30%) are attributable to the Lease Services Margin and 31% (2023: 47%) are linked to the result on the cars sales and revaluation.

2.f Other operating expenses

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Salary and employee benefit expenses (note 6.a)	(3,007)	(2,895)
External services and other operating expenses	(1,756)	(1,740)
Taxes and contributions [1]	(473)	(486)
Other operating expenses	**(5,236)**	**(5,121)**

[1] Contributions to European resolution funds, including exceptional contributions (in 2024 no additional contributions were needed as the target funding had been reached in 2023), amount to 0 million euros in 2024 (92) million euros in 2023.

2.g Cost of risk

The BNP Paribas Fortis general model for impairment described in note 1.g.4 used by the bank relies on the following two steps:

- assessing whether there has been a significant increase in credit risk since initial recognition, and
- measuring impairment allowance as either 12-month expected credit losses or lifetime expected credit loss (i.e. loss expected at maturity).

Both steps rely on forward looking information.

Significant increase in credit risk

At 31 December 2022, BNP Paribas revised its criteria for assessing the significant increase in credit risk in line with the recommendations issued by the European Banking Authority and the European Central Bank. Under these criteria, credit risk is assumed to have significantly increased, and the asset is classified in stage 2, if the probability of default to maturity of the instrument has increased at least threefold since its origination. This relative variation criterion is supplemented by an absolute variation criterion of the default probability of 400 basis points. Furthermore, for all portfolios (except for some credit specialist portfolios):

- the facility is assumed to be in stage 1 when its 1-year 'Point in Time' probability of default (PiT PD), including forward-looking information, is below 0.3% at the reporting date, since changes in probability of default due to credit downgrades in this zone are not material, and therefore not considered 'significant';
- when the 1-year PiT PD is greater than 20% at the reporting date, given the Group's credit issuance practices, the deterioration is considered significant, and the facility is classified in stage 2 (as long as the facility is not credit-impaired).

In the consumer credit specialist business, the existence of a payment incident during the last 12 months, potentially regularized, is considered to be an indication of significant increase in credit risk and the facility is therefore classified in stage 2. From 2024, this specificity no longer applies to most exposures in the eurozone.

Credit risk is assumed to have increased significantly since initial recognition and the asset is classified in stage 2, in the event of late payment of more than 30 days or restructuring due to financial difficulties (as long as the facility is not credit-impaired). Since 31 December 2023, performing corporate clients placed under credit watch are systematically downgraded to stage 2.

Forward Looking Information

The bank considers forward-looking information both when assessing significant increase in credit risk and when measuring Expected Credit Losses (ECL).

Regarding the measurement of expected credit losses, the bank has chosen to use 4 macroeconomic scenarios by geographic area covering a wide range of potential future economic conditions:

- a baseline scenario, consistent with the scenario used for budgeting and forecasting;
- a favourable scenario, capturing situations where the economy performs better than anticipated;
- an adverse scenario, corresponding to the scenario used quarterly in BNP Paribas Group quarterly stress tests;
- a severe scenario corresponding to a shock of magnitude greater than that of the adverse scenario.

The link between the macroeconomic scenarios and the ECL measurement is mainly achieved through a modelling of the probabilities of default and deformation of migration matrices based on internal rating (or risk parameter). The probabilities of default determined according to these scenarios are used to measure expected credit losses in each of these scenarios.

The Group's setup is broken down by sector to take into account the heterogeneity of sectoral dynamics when assessing the probability of default for corporates. Forward-looking information is also considered when determining the significant deterioration in credit risk.

As a matter of fact, the probabilities of default used as the basis for this assessment include forward-looking multi-scenario information in the same way as for the calculation of the expected losses.

The weight to be attributed to the expected credit losses calculated in each of the scenarios is defined as follows:

- the weight of the baseline scenario is 50%;
- the weight of the three alternative scenarios is defined according to the position in the credit cycle. In this approach, the adverse scenario carries more weight in situations at the upper end of the cycle than those at the lower end of the cycle, in anticipation of a potential downturn in the economy;
- the weight of the favourable scenario is at least 10% and at most 40%;
- the total weight of adverse scenarios fluctuates symmetrically with the favourable also within a range of 10% to 40%; with a severe component representing 20% of this weight with a minimum weight of 5%.

When appropriate, the ECL measurement can take into account asset sale scenarios.

Macroeconomic scenarios

The four macroeconomic scenarios are defined over a three-year projection horizon. They correspond to:

- a baseline scenario which describes the most likely path of the economy over the projection horizon. This scenario is updated on a quarterly basis and is prepared by the Group Economic Research department in collaboration with various experts within the Group, including those of BNP Paribas Fortis. Projections are designed for each key market of the bank) using key macroeconomic variables (Gross Domestic Product - GDP - and its components, unemployment rate, consumer prices, interest rates, foreign exchange rates, oil prices, real estate prices, etc.) which are key drivers for modeling risk parameters used in the stress test process;
- an adverse scenario, which describes the impact of the materialisation of some of the risks weighing on the baseline scenario, resulting in a much less favourable economic path than in the baseline scenario. The GDP shock is applied with varying magnitudes, but simultaneously, to the economies under consideration. Generally, these assumptions are broadly consistent with those proposed by the regulators. The calibration of shocks on other variables (e.g. unemployment, consumer prices, interest rates, etc.) is based on models and expert judgment;
- a severely adverse scenario, which is an aggravated version of the adverse scenario;
- a favourable scenario, which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a more favourable economic path. The favourable shock on GDP is deducted from the structural adverse shock on GDP in such a way that the probabilities of the two shocks are equal on average over the cycle. Other variables (e.g. unemployment, inflation, interest rates, etc.) are defined in the same way as in the adverse scenario.

The link between the macroeconomic scenarios and the measurement of the ECL is complemented by an approach allowing to take into account anticipation aspects not captured by the models in the generic approach. This is particularly the case when unprecedented events in the historical chronicle taken into account to build the models occur or are anticipated, or when the nature or amplitude of change in macroeconomic parameter calls into question past correlations. Thus, the situation of high inflation and the level of interest rates previously recorded were not observed in the reference history. In this context, the Group has developed an approach to take into account the future economic outlook when assessing the financial strength of counterparties. This approach involves projecting the impact of higher interest rates on customers' financial ratios, notably considering their level of indebtedness. Credit ratings and associated probabilities of default are revalued based on these simulated financial ratios. The inflation and interest rate adjustments that were previously made to assess credit risk have been reversed, as the economic environment has changed. Starting in 2024, this approach is also used to complete the prospective assessment of the potential consequences of climate change (transition and physical risks) on the credit risk of corporate counterparties and mortgages. At the end of 2024, physical risks are accounted for through a post-model adjustment.

Baseline scenario

In 2024, global activity grew at a relatively moderate pace. In the eurozone, activity returned to growth, supported by the positive impact of disinflation on real incomes and consumption, and the gradual easing of monetary conditions. In the United States, the economy remained strong. At 31 December 2024, annual growth forecasts were +0.8% in the eurozone and +2.7% in the United States (compared to expectations of +0.8% and +0.7% respectively at 31 December 2023).

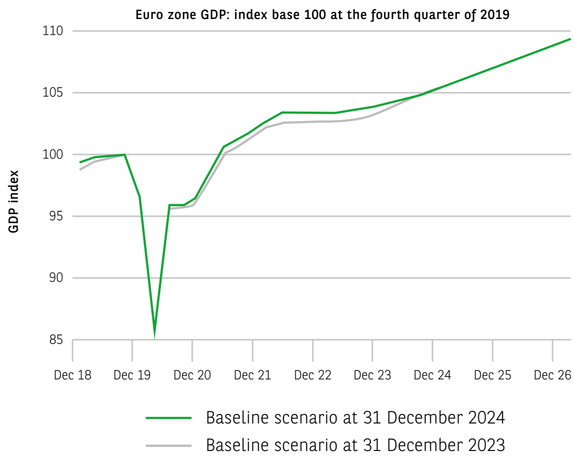
Over the 2025-2027 period, the baseline scenario assumes a gradual continuation of the recovery in the eurozone, which would result from a strengthening of private domestic demand, as public spending is expected to be more constrained. In the United States, a deceleration in growth is assumed, after a few years of strong expansion.

Inflation has continued to slow over the course of 2024, moving closer to the targets of major central banks. This has allowed most of them (ECB, Federal Reserve, Bank of England, etc.) to start a rate cut cycle. This monetary policy adjustment is expected to extend in 2025. Then, central bank rates are expected to remain stable over the following years (2026-2027), in the presence of controlled inflation, evolving around 2%.

Long-term interest rates in 2023-2024 reached levels not seen in more than a decade and are assumed to remain relatively stable over the projection horizon (with no significant changes in growth and inflation scenarios).

The uncertainty surrounding the baseline scenario appears to be relatively high. The current geopolitical context, marked by two major ongoing conflicts (invasion of Ukraine, conflict in the Middle East) and significant tensions in other regions (in Asia in particular), is likely to evolve rapidly. Additionally, the presidential shift in the United States in January 2025 may lead to notable changes in economic policy, particularly concerning customs duties, which could impact the global economy.

The graph below presents a comparison of eurozone GDP projections used in the baseline scenario for the calculation of ECLs on 31 December 2024 and 31 December 2023.



Macroeconomic variables, baseline scenario at 31 December 2024

Annual averages	2024	2025	2026	2027
GDP growth rate				
Eurozone	0.8%	1.1%	1.5%	1.6%
France	1.2%	0.8%	1.3%	1.6%
Italy	0.5%	0.7%	1.3%	1.3%
Belgium	1.1%	1.3%	1.5%	1.5%
United States	2.7%	1.9%	1.9%	1.7%
Unemployment rate				
Eurozone	6.4%	6.6%	6.4%	6.0%
France	7.6%	7.7%	7.4%	6.7%
Italy	6.6%	6.7%	6.8%	6.7%
Belgium	5.6%	5.8%	5.7%	5.6%
United States	4.0%	4.2%	4.0%	4.0%
Inflation rate				
Eurozone	2.4%	1.9%	2.0%	2.1%
France	2.3%	1.4%	1.9%	1.9%
Italy	1.1%	1.9%	2.0%	2.1%
Belgium	4.3%	2.8%	2.2%	2.2%
United States	2.9%	2.1%	2.3%	2.3%
10-year sovereign bond yields				
Germany	2.37%	2.45%	2.50%	2.50%
France	2.99%	3.20%	3.25%	3.25%
Italy	3.75%	3.75%	3.80%	3.80%
Belgium	2.95%	3.05%	3.10%	3.10%
United States	4.19%	4.25%	4.25%	4.25%

Adverse and severely adverse scenarios

The adverse and severely adverse scenarios assume that some downside risks will materialise, resulting in much less favourable economic paths than in the baseline scenario.

The following main risks are identified:

- Geopolitical risks. Geopolitical tensions can weigh on the global economy through various channels, such as shocks on commodity prices, financial markets, business confidence, supply chains and trade. These developments are likely to lead simultaneously to higher inflation and a slowdown in activity, further complicating the task of central banks.
- Trade and globalisation. Tensions related to trade and globalisation have increased in recent years, leading to some fragmentation of the global economy. While tariff and non-tariff barriers have already increased significantly, additional protectionist measures between main economic areas (e.g. US, China, and the EU) are likely. They are susceptible to lead to higher prices and weigh on activity.
- Public finances. Numerous governments face a combination of elevated debt levels, higher borrowing costs and moderate growth. This constitutes a challenging environment for public finances at a time when governments face major structural challenges (climate action, defence capabilities, age-related outlays). These developments could give birth in some countries to market tensions (widening sovereign bond spreads) and affect activity through several channels (higher interest rates, higher taxes, reduced government spending).

- Climate events and policies. Climate change related developments can generate adverse shocks through various channels. First, announced climate policy measures are susceptible to trigger social protests, raise uncertainties, weigh on confidence; these developments can generate turbulences in financial markets and put a brake on some spending categories. Second, extreme weather events may disrupt activity (destructions, supply chain disruptions), weigh on real estate prices and take insurance and financial market premia up.

The adverse and severe scenarios assume the materialisation of these identified risks from the first quarter of 2025. While downside risks are shared by these scenarios, the impacts are assumed to be markedly higher in the severely adverse scenario, due to both more pronounced direct shocks notably higher commodity prices, and the development of a negative spiral between key driving factors (activity, public debt, bond yields, equity markets).

Among the considered countries, GDP levels in the adverse scenario stand between 7.8% and 11.2% lower than in the baseline scenario at the end of the shock period. In particular, this deviation reaches 8.2% in the eurozone and 8.4% in the United States. In the severe scenario, GDP levels stand between 11.5% and 16.4% lower than in the baseline scenario at the end of the shock period. This deviation reaches 12.1% in the eurozone and 12.3% in the United States.

Scenario weighting and cost of risk sensitivity:
At 31 December 2024, the weight of the favourable scenario considered by the bank was 29%, and 16% for the adverse scenario and 5% for the severe scenario. At 31 December 2023, the weight of the favourable scenario was 33.2%, 11.8% for the adverse scenario and 5% for the severe scenario.

The sensitivity of the amount of expected credit losses for all financial assets at amortised cost or at fair value through equity and credit commitments is assessed by comparing the estimated expected credit losses resulting from the weighting of the above scenarios with the estimated expected loss resulting from the weighting of the adverse and favourable scenario at 100% (and the baseline scenario weighted at 0%):

- an increase in ECL of 32%, or 169 million euros according to a weighting at 100% of the adverse scenario (29% as at 31 December 2023);
- a decrease in ECL of (21)%, or (111) million euros according to a weighting at 100% of the favourable scenario ((15)% as at 31 December 2023).

Post-model adjustments:
Post-model adjustments are made when system limitations are identified in a particular context, for instance, in the case of insufficient statistical data to reflect the specific situation in the models. Post-model adjustments are also considered to take into account, where applicable, the consequences of climatic events on expected credit losses.

Cost of credit risk for the period

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net allowances to impairment	(360)	(265)
Recoveries on loans and receivables previously written off	33	25
Losses on irrecoverable loans	(63)	(40)
Total cost of risk for the period	**(390)**	**(280)**

Cost of risk for the period by accounting category and asset type

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Cash and balances at central banks	2	(8)
Financial instruments at fair value through profit or loss	1	2
Financial assets at fair value through Other Comprehensive Income	(1)	4
Financial assets at amortised cost	(444)	(326)
of which loans and receivables	*(446)*	*(325)*
of which debt securities	*2*	*(1)*
Other assets	(3)	(3)
Financing and guarantee commitments and other items	55	51
Total cost of risk for the period	**(390)**	**(280)**
Cost of risk on unimpaired assets and commitments	200	39
of which Stage 1	*12*	*24*
of which Stage 2	*188*	*15*
Cost of risk on impaired assets and commitments - Stage 3	(590)	(319)

Credit risk impairment

Change in impairment by accounting category and asset type during the period

In millions of euros	31 December 2023	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other items	31 December 2024
Assets impairment					
Amounts due from central banks	17	(2)	-	(2)	13
Financial instruments at fair value through profit or loss	6	-	-	-	6
Financial assets at fair value through Other Comprehensive Income	14	-	-	-	14
Financial assets at amortised cost	3,232	416	(469)	73	3,252
of which loans and receivables	*3,226*	*418*	*(469)*	*74*	*3,249*
of which debt securities	*6*	*(2)*	-	*(1)*	*3*
Other assets	11	2	-	-	13
Total impairment of financial assets	**3,280**	**416**	**(469)**	**71**	**3,298**
of which Stage 1	*375*	-	-	*(2)*	*373*
of which Stage 2	*498*	*(151)*	-	*(3)*	*344*
of which Stage 3	*2,407*	*567*	*(469)*	*76*	*2,581*
Provisions recognised as liabilities					
Provisions for commitments	212	(60)	-	1	153
Other provisions	35	1	(1)	1	36
Total provisions recognised for credit commitments	**247**	**(59)**	**(1)**	**2**	**189**
of which Stage 1	*63*	*(17)*	-	*2*	*48*
of which Stage 2	*69*	*(38)*	-	-	*31*
of which Stage 3	*115*	*(4)*	*(1)*	-	*110*
Total impairment and provisions	**3,527**	**357**	**(470)**	**73**	**3,487**

The release of Stage 1 and Stage 2 provisions for 2024 was influenced by factors such as the release of some uncertainties and updates in the macroeconomic scenarios.

Change in impairment by accounting category and asset type during the previous period

In millions of euros	31 December 2022	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other items	31 December 2023
Assets impairment					
Amounts due from central banks	15	8	-	(6)	17
Financial instruments at fair value through profit or loss	8	(1)	-	(1)	6
Financial assets at fair value through Other Comprehensive Income	19	(4)	-	(1)	14
Financial assets at amortised cost	3,067	318	(343)	190	3,232
of which loans and receivables	*3,060*	*317*	*(343)*	*192*	*3,226*
of which debt securities	*7*	*1*	-	*(2)*	*6*
Other assets	9	2	(1)	1	11
Total impairment of financial assets	**3,118**	**323**	**(344)**	**183**	**3,280**
of which Stage 1	*356*	*(10)*	-	*29*	*375*
of which Stage 2	*477*	*7*	-	*14*	*498*
of which Stage 3	*2,285*	*326*	*(344)*	*140*	*2,407*
Provisions recognised as liabilities					
Provisions for commitments	256	(51)	-	7	212
Other provisions	29	(4)	-	10	35
Total provisions recognised for credit commitments	**285**	**(55)**	**-**	**17**	**247**
of which Stage 1	*76*	*(17)*	-	*4*	*63*
of which Stage 2	*89*	*(24)*	-	*4*	*69*
of which Stage 3	*120*	*(14)*	-	*9*	*115*
Total impairment and provisions	**3,403**	**268**	**(344)**	**200**	**3,527**

Change in impairment of amortised cost financial assets during the period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At Year to 31 Dec. 2023	**356**	**487**	**2,390**	**3,233**
NET ALLOWANCES TO IMPAIRMENT	-	(149)	565	416
Financial assets purchased or originated during the period	157	64	1	222
Financial assets derecognised during the period (1)	(41)	(59)	(188)	(288)
Transfer to Stage 2	(42)	239	(39)	158
Transfer to Stage 3	(32)	(131)	527	364
Transfer to Stage 1	28	(161)	(9)	(142)
Other allowances/reversals without stage transfer (2)	(70)	(101)	273	102
IMPAIRMENT PROVISIONS USED	-	-	(469)	(469)
EFFECT OF EXCHANGE RATE MOVEMENTS AND OTHER ITEMS	-	(4)	76	72
At 31 December 2024	**356**	**334**	**2,562**	**3,252**

(1) Including disposals

(2) Including amortisation

Change in impairment of amortised cost financial assets during the previous period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2022	338	462	2,267	3,067
NET ALLOWANCES TO IMPAIRMENT	(16)	11	323	318
Financial assets purchased or originated during the period	147	72	1	220
Financial assets derecognised during the period (1)	(56)	(41)	(155)	(252)
Transfer to Stage 2	(50)	304	(45)	209
Transfer to Stage 3	(4)	(88)	378	286
Transfer to Stage 1	26	(130)	(15)	(119)
Other allowances/reversals without stage transfer (2)	(79)	(106)	159	(26)
IMPAIRMENT PROVISIONS USED	-	-	(343)	(343)
EFFECT OF EXCHANGE RATE MOVEMENTS AND OTHER ITEMS	34	14	143	191
At 31 December 2022	356	487	2,390	3,233

(1) Including disposals

(2) Including amortisation

2.h Net gain on non-current assets

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net gain on investments in consolidated undertakings	-	-
Net gain on tangible and intangible assets	5	191
Result from monetary position	(286)	(253)
Net gain on non-current assets	**(281)**	**(62)**

According to IAS 29 in connection with the hyperinflation situation of the economy in Turkey, the line 'Results from monetary positions' mainly includes the effect of the evolution of the consumer price index in Turkey on the valuation of non-monetary assets and liabilities (-542 million euros) and on accrued income from the Turkish government bonds portfolio indexed to inflation and held by Turk Ekonomi Bankasi AS (+256 million euros), reclassified from interest margin) in 2024 (respectively -545 million euros, +291 million euros in 2023).

The average inflation (CPI) in Turkey amounts to 60 for 2024 compared to 53.4 for 2023.

2.i Corporate income tax

Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in Belgium	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	In millions of euros	Tax rate	In millions of euros	Tax rate
Corporate income tax expense on pre-tax income at standard tax rate [(1)]	**(995)**	**25.00%**	**(1,178)**	**25.00%**
Impact of differently taxed foreign profits	(25)	0.6%	(41)	0.9%
Impact of dividends and disposals taxed at reduced rate	12	(0.3%)	14	(0.3%)
Impact of the hyperinflation in Turkey	(149)	3.7%	(157)	3.3%
Other items	(3)	0.1%	(120)	2.5%
Corporate income tax expense	**(1,160)**	**29.10%**	**(1,482)**	**31.40%**
of which				
Current tax expense for the year to 31 December	*(732)*		*(864)*	
Deferred tax expense for the year to 31 December (Note 4.i)	*(428)*		*(618)*	

(1) Restated for the share of profits in equity-method entities and goodwill impairment

3 Segment information

3.a Operating segments

Until 2023, the operating segment 'Specialised Businesses" was composed out of Arval, Leasing Solutions and Personal Finance. Following a review conducted in the course of 2024 and in order to reflect the fact that Arval and Leasing Solutions share similar economic characteristics, the operating segment "Specialised Businesses" has been renamed as of 2024 to "Arval and Leasing Solutions". At the same time, Personal Finance, which does not meet the quantitative thresholds defined by IFRS 8 – Operating Segments and which shares less economic characteristics with the activities of Arval and Leasing Solutions is moved towards the already existing segment "Others". Following IFRS 8, comparative figures were adapted to reflect this modification.

Banking activities in Belgium

In Belgium, BNP Paribas Fortis offers a comprehensive package of financial services to private individuals, the self-employed, members of the professions and SMEs. The bank also provides high net worth individuals, 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 mother company, BNP Paribas.

Retail Banking serves personal and self-employed customers, helped by a multidisciplinary team; Affluent & Private Banking serves personal and self-employed customers with more than 85,000 euros of assets, who each have a dedicated relationship manager. BNP Paribas Fortis has a very strong presence in the local market, through a network of 275 branches, plus other channels such as ATMs and online banking facilities, including mobile banking. In its retail banking activities, BNP Paribas Fortis operates under three complementary brands: the main brand BNP Paribas Fortis, plus Fintro and Hello bank!, a 100% digital mobile banking service. In the insurance sector, BNP Paribas Fortis works in close cooperation with the Belgian market leader, AG Insurance.

Corporate Banking (CB) serves business clients with a dedicated relationship manager (Enterprises for small and medium-sized businesses; Corporate Coverage for large corporations, public-sector entities and institutional clients). CB serves a wide range of clients, including small and medium-sized companies, Belgian and European corporates, financial institutions, institutional investors, public entities and local authorities. It has a strong client base among large and medium-sized companies and is the market leader in these two categories, as well as a strong challenger in the public sector. Providing a wide range of both traditional and bespoke specialised solutions and services, and drawing on the international network of the BNP Paribas Group in 63 countries, CB continues to meet the precise financing, transaction banking, investment banking and insurance needs of its clients.

Banking activities in Luxembourg

BGL BNP Paribas ranks among the leading banks operating in the Luxembourg financial marketplace. It has made a significant contribution to the country's emergence as a major international financial center and is deeply rooted in Luxembourg's economic, cultural, sporting and social life.

As a partner with a longstanding commitment to the national economy, BGL BNP Paribas offers a wide range of products both for individuals and for professional and institutional clients. Ranked as the number one bank for corporates and the number two bank for resident individuals in the Grand Duchy of Luxembourg, BGL BNP Paribas is also the leader in bancassurance, providing combined offerings of insurance and banking services.

Banking activities in Turkey

BNP Paribas Fortis operates in Turkey via Türk Ekonomi Bankasi (TEB), in which it has a 48.7% stake. Retail Banking products and services consist of debit and credit cards, personal loans, and investment and insurance products distributed through the TEB branch network and via internet and phone banking. Corporate banking services include international trade finance, asset and cash management, credit services, currency hedging, interest and commodity risk, plus factoring and leasing. Through its commercial and SME banking departments, the bank offers an array of banking services to small and medium-sized enterprises.

Arval and Leasing Solutions

Fully owned by BNP Paribas Fortis, Arval specialises in full service vehicle leasing. Arval offers its customers – large international corporates, SMEs and professionals – tailored solutions that optimise their employees' mobility and outsource the risks associated with fleet management. Expert advice and service quality, which are the foundations of Arval's customer promise, are delivered in 29 countries.

BNP Paribas Leasing Solutions is a European leader in leasing for corporate and small business clients. It specialises in rental and finance solutions, ranging from professional equipment leasing to fleet outsourcing.

Other

This segment mainly comprises Personal Finance, BNP Paribas Asset Management, AG Insurance, BNP Paribas Bank Polska, Cardif Lux Vie and the foreign branch of BNP Paribas Fortis.

Personal Finance comprises Alpha Credit, a wholly-owned subsidiary of BNP Paribas Fortis and the leading provider of consumer credits in Belgium and the Grand Duchy of Luxembourg, as well as Creation Consumer Finance and Creation Financial Services in the United Kingdom. They market all types of instalment loans (personal loans, car loans, motorbike loans, kitchen loans, etc.), as well as payment cards with a permanent cash reserve (revolving credit).

3.b Information by operating segment

Income and expense by operating segment

In millions of euros	Year to 31 Dec. 2024						Year to 31 Dec. 2023					
	Banking activities in Belgium	Banking activities in Luxembourg	Banking activities in Turkey	Arval & Leasing Solutions	Other	Total	Banking activities in Belgium	Banking activities in Luxembourg	Banking activities in Turkey	Arval & Leasing Solutions	Other	Total
Net commission Income	1,118	176	255	59	(37)	1,571	1,134	169	139	56	(59)	1,439
Net Interest income & other revenues	3,218	740	661	3,585	516	8,721	3,322	709	842	3,838	401	9,112
Revenues	**4,336**	**916**	**916**	**3,644**	**479**	**10,292**	**4,456**	**878**	**981**	**3,894**	**342**	**10,551**
Operating expense	(2,798)	(431)	(666)	(1,530)	(215)	(5,640)	(2,920)	(435)	(511)	(1,467)	(163)	(5,496)
Cost of risk	38	(3)	(69)	(196)	(160)	(390)	(10)	(9)	4	(146)	(119)	(280)
Operating Income	**1,577**	**483**	**181**	**1,918**	**104**	**4,262**	**1,526**	**434**	**474**	**2,281**	**60**	**4,775**
Non-operating items	89	-	(223)	(61)	379	184	4	182	(232)	(14)	309	249
Pre-tax income	**1,665**	**483**	**(42)**	**1,857**	**483**	**4,446**	**1,530**	**616**	**242**	**2,267**	**369**	**5,024**

Assets and liabilities by operating segment

In millions of euros	31 December 2024						31 December 2023					
	Banking activities in Belgium	Banking activities in Luxembourg	Banking activities in Turkey	Arval & Leasing Solutions	Other	Total	Banking activities in Belgium	Banking activities in Luxembourg	Banking activities in Turkey	Arval & Leasing Solutions	Other	Total
Assets	**233,672**	**31,940**	**18,472**	**78,066**	**17,696**	**379,846**	**236,267**	**32,759**	**13,948**	**74,056**	**16,850**	**373,880**
of which investments in associates and Joint ventures	822	98	5	104	2,052	3,081	738	97	5	43	1,748	2,631
Liabilities	**216,088**	**25,369**	**17,010**	**71,149**	**15,423**	**345,039**	**221,029**	**26,310**	**12,670**	**67,791**	**14,901**	**342,701**

Within the operating segment 'Arval and Leasing Solutions', 60% of the assets at 31 December 2024 are linked to the vehicle lease activity (operational lease), while 40% is linked to the financial lease of professional equipment (compared to respectively 59% and 41% at 31 December 2023).

3.c Country-by-country reporting

The country-by-country reporting has been prepared to comply with the requirements set out in Article 89 of the European Union Capital Requirements Directive IV. The information is presented using the same basis as the Consolidated Financial Statements of BNP Paribas Fortis for the period ending 31 December 2024, which are prepared in accordance with IFRS as adopted by the European Union. The country information relates to the country of incorporation or residence of branches and subsidiaries.

In millions of euros, Year to 31 Dec. 2024(*)	Revenues	Pre-tax income	Current tax	Deferred tax	Corporate income tax	FTE (**) as at 31 December 2024	Nature of activities
Belgium	**4,629**	**1,697**	**(239)**	**(231)**	**(470)**	**11,725**	
of which: BNP Paribas Fortis NV/ SA (Including Bass & Esmée Master Issuer NV)	*4,116*	*1,474*	*(183)*	*(244)*	*(427)*	*10,304*	*Credit institution*
Turkey	**1,021**	**8**	**(86)**	**13**	**(73)**	**8,801**	
of which: Türk Ekonomi Bankası AS	*734*	*(90)*	*(57)*	*(5)*	*(62)*	*8,007*	*Credit institution*
Luxembourg	**945**	**500**	**(111)**	**5**	**(107)**	**2,054**	
of which: BGL BNP Paribas	*910*	*482*	*(119)*	*4*	*(115)*	*1,959*	*Credit institution*
France	**861**	**292**	**(36)**	**(49)**	**(86)**	**3,526**	
of which: Arval Service Lease	*360*	*82*	*(5)*	*(27)*	*(32)*	*2,061*	*Leasing firm*
Germany	**357**	**217**	**(24)**	**(44)**	**(67)**	**745**	
Poland	**90**	**47**	**(5)**	**(5)**	**(9)**	**613**	
United Kingdom	**616**	**176**	**(40)**	**(8)**	**(48)**	**1,939**	
Spain	**427**	**300**	**(47)**	**(29)**	**(76)**	**1,026**	
The Netherlands	**205**	**107**	**(14)**	**(13)**	**(27)**	**564**	
Italy	**614**	**371**	**(90)**	**(35)**	**(126)**	**1,150**	
Other	**527**	**266**	**(40)**	**(32)**	**(71)**	**2,527**	
Total	**10,292**	**3,981**	**(732)**	**(428)**	**(1,160)**	**34,671**	

(*) The financial data correspond to the contribution to consolidated income of fully consolidated entities under exclusive control

(**) Full-time equivalents (FTE) at 31 December 2024 in fully consolidated entities under exclusive control

4 Notes to the balance sheet at 31 December 2024

4.a Financial instruments at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss consist of held-for-trading transactions - including derivatives -, of certain assets and liabilities designated by the bank as at fair value through profit or loss at the time of issuance and of non-trading instruments whose characteristics prevent their accounting at amortised cost or at fair value through equity.

In millions of euros	31 December 2024				31 December 2023			
	Financial instru-ments held for trading	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total	Financial instru-ments held for trading	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total
Securities	529	-	1,235	1,764	535	-	1,069	1,604
Loans and repurchase agreements	2,718	-	225	2,943	1,597	-	77	1,674
Financial assets at fair value through profit or loss	**3,247**	**-**	**1,460**	**4,707**	**2,132**	**-**	**1,146**	**3,278**
Securities	786	-	-	786	697	-	-	697
Deposits and repurchase agreements	7,725	119	-	7,844	11,654	134	-	11,788
Issued debt securities (note 5.h)	-	4,170	-	4,170	-	2,721	-	2,721
Of which subordinated debt	-	*816*	-	*816*	-	*735*	-	*735*
Of which non subordinated debt	-	*3,354*	-	*3,354*	-	*1,986*	-	*1,986*
Financial liabilities at fair value through profit or loss	**8,511**	**4,289**	**-**	**12,800**	**12,351**	**2,855**	**-**	**15,206**

Detail of these assets and liabilities is provided in note 4.d.

Financial liabilities designated as at fair value through profit or loss

Financial liabilities at fair value through profit or loss mainly consist of issued debt securities, originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy.

These types of issued debt securities contain significant embedded derivatives, which changes in value may be compensated by changes in the value of economic hedging derivatives.

The redemption value of debt issued and designated as at fair value through profit or loss at 31 December 2024 was 4,349 million euros (3,067 million euros at 31 December 2023).

Other financial assets measured at fair value through profit or loss

Other financial assets at fair value through profit or loss are financial assets not held for trading:

- Debt instruments that do not meet the criteria defined by IFRS 9 to be classified as financial instruments at 'fair value through equity' or at 'amortised cost' :
  - their business model is not to 'collect contractual cash flows' nor 'collect contractual cash flows and sell the instruments'; and/or
  - their cash flows are not solely repayments of principal and interest on the principal amount outstanding.
- Equity instruments that the bank did not choose to classify as at 'fair value through equity'.

Derivative financial instruments

The majority of derivative financial instruments held for trading are related to transactions initiated for trading purposes. They may result from market-making or arbitrage activities. BNP Paribas Fortis actively trades in derivatives. Transactions include trades in 'ordinary' instruments such as interest rate swaps, and structured transactions with complex risk profiles tailored to meet the needs of its customers. The net position is in all cases subject to limits.

Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which the bank has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS.

	31 December 2024		31 December 2023	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	4,053	4,313	4,552	4,762
Foreign exchange derivatives	1,771	1,735	1,176	1,310
Credit derivatives	-	3	-	23
Equity derivatives	486	15	413	46
Other derivatives	-	-	-	-
Derivative financial instruments	**6,310**	**6,066**	**6,141**	**6,141**

The table below shows the total notional amount of trading derivatives. The notional amounts of derivative instruments are merely an indication of the volume of BNP Paribas Fortis' activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

	31 December 2024				31 December 2023			
In millions of euros	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	55,747	61,610	201,762	319,119	49,214	55,294	195,269	299,777
Foreign exchange derivatives	842	-	99,403	100,245	-	-	102,795	102,795
Credit derivatives	-	-	259	259	-	-	250	250
Equity derivatives	-	-	725	725	69	-	763	832
Other derivatives	-	-	-	-	-	-	-	-
Derivative financial instruments	**56,589**	**61,610**	**302,149**	**420,348**	**49,283**	**55,294**	**299,077**	**403,654**

4.b Derivatives used for hedging purposes

The table below shows the notional amounts and the fair value of derivatives used for hedging purposes.

	31 December 2024			31 December 2023		
In millions of euros	Notional amounts	Positive fair value	Negative fair value	Notional amounts	Positive fair value	Negative fair value
Fair value hedges	**181,297**	**4,272**	**7,055**	**205,835**	**5,198**	**8,070**
Interest rate derivatives	181,100	4,269	7,030	205,589	5,194	8,049
Foreign exchange derivatives	197	3	25	246	4	21
Cash flow hedges	**23,971**	**142**	**263**	**22,282**	**220**	**201**
Interest rate derivatives	6,039	36	53	5,004	44	96
Foreign exchange derivatives	17,932	106	210	17,278	176	105
Other derivatives	-	-	-	-	-	-
Net foreign investment hedges	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange derivatives	-	-	-	-	-	-
Derivatives used for hedging purposes	**205,268**	**4,414**	**7,318**	**228,117**	**5,418**	**8,271**

Interest rate risk and foreign exchange risk management strategies are described in chapter 'Risk Management and Capital Adequacy' of the annual report.

The table below presents the detail of the fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing at 31 December 2024:

31 December 2024 In millions of euros	Hedging instruments				Hedged instruments			
	Notional amounts	Positive fair value	Negative fair value	Cumulated changes in fair value used as the basis for recognising ineffectiveness	Carrying amount - asset	Cumulated changes in fair value - asset	Carrying amount - liability	Cumulated changes in fair value - liability
Fair value hedges of identified instruments	**28,953**	**565**	**1,478**	**(982)**	**20,497**	**937**	**8,607**	**(17)**
Interest rate derivatives hedging the interest rate risk related to	**28,756**	**563**	**1,453**	**(981)**	**20,457**	**938**	**8,447**	**(15)**
Loans and receivables	*1,236*	*18*	*140*	*(118)*	*1,221*	*118*	-	-
Securities	*19,171*	*454*	*1,236*	*(857)*	*19,236*	*820*	-	-
Deposits	*1,748*	*5*	*2*	*4*	-	-	*1,783*	*4*
Debt securities	*6,601*	*86*	*75*	*(10)*	-	-	*6,664*	*(19)*
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**197**	**2**	**25**	**(1)**	**40**	**(1)**	**160**	**(2)**
Loans and receivables	-	-	-	-	-	-	-	-
Securities	*39*	*1*	*1*	*1*	*40*	*(1)*	-	-
Deposits	-	-	-	-	-	-	-	-
Debt securities	*158*	*1*	*24*	*(2)*	-	-	*160*	*(2)*
Interest-rate risk hedged portfolios	**152,344**	**3,707**	**5,577**	**(1,466)**	**28,456**	**(1,451)**	**17,990**	**(2,915)**
Interest rate derivatives hedging the interest rate risk related to (1)	**152,344**	**3,707**	**5,577**	**(1,466)**	**28,456**	**(1,451)**	**17,990**	**(2,915)**
Loans and receivables	*43,433*	*2,075*	*431*	*1,447*	*28,456*	*(1,451)*	-	-
Deposits	*108,911*	*1,632*	*5,146*	*(2,913)*	-	-	*17,990*	*(2,915)*
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and receivables	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total fair value hedge	**181,297**	**4,272**	**7,055**	**(2,448)**	**48,953**	**(514)**	**26,597**	**(2,932)**

(1) Are included in this section the notional amounts of hedging derivatives and of swaps that reverse the interest rate positions, thus reducing the hedge relationship, when the hedged item still exists, for respectively 1,300 million euros for derivatives hedging loans and receivables and 87,464 million euros for derivatives hedging deposits. In addition, this section contains for a total notional amount of 15,044 million euros forward swaps which are per 31 December 2024 not yet covering loans or deposits. Both impacts should be subtracted from the notional amount of the hedging instruments to obtain the currently hedged part of our loans and deposits.

The table below presents the detail of the fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing at 31 December 2023:

31 December 2023 *In millions of euros*	Hedging instruments				Hedged instruments			
	Notional amounts	Positive fair value	Negative fair value	Cumulated change in fair value used as the basis for recognising ineffectiveness	Carrying amount - asset	Cumulated amount of fair value hedge adjustments - assets	Carrying amount - liabilities	Cumulated amount of fair value hedge adjustments - liabilities
Fair value hedges of identified instruments	**33,755**	**579**	**1,291**	**(758)**	**15,787**	**651**	**17,925**	**(65)**
Interest rate derivatives hedging the interest rate risk related to	**33,509**	**575**	**1,270**	**(756)**	**15,747**	**653**	**17,715**	**(61)**
Loans and receivables	*1,886*	*19*	*152*	*(128)*	*1,876*	*129*	*-*	*-*
Securities	*13,904*	*498*	*1,001*	*(568)*	*13,871*	*524*	*-*	*-*
Deposits	*11,695*	*4*	*8*	*(3)*	*-*	*-*	*11,892*	*(3)*
Debt securities	*6,024*	*54*	*109*	*(57)*	*-*	*-*	*5,823*	*(58)*
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**246**	**4**	**21**	**(2)**	**40**	**(2)**	**210**	**(4)**
Loans and receivables	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Securities	*38*	*2*	*20*	*2*	*40*	*(2)*	*-*	*-*
Deposits	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Debt securities	*208*	*2*	*1*	*(4)*	*-*	*-*	*210*	*(4)*
Interest-rate risk hedged portfolios	**172,080**	**4,619**	**6,779**	**(1,862)**	**29,273**	**(1,943)**	**38,864**	**(3,807)**
Interest rate derivatives hedging the interest rate risk related to (1)	**172,080**	**4,619**	**6,779**	**(1,862)**	**29,273**	**(1,943)**	**38,864**	**(3,807)**
Loans and receivables	*48,427*	*2,450*	*318*	*1,939*	*29,273*	*(1,943)*	*-*	*-*
Securities	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Deposits	*123,653*	*2,169*	*6,461*	*(3,801)*	*-*	*-*	*38,864*	*(3,807)*
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and receivables	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Deposits	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total fair value hedge	**205,835**	**5,198**	**8,070**	**(2,620)**	**45,060**	**(1,292)**	**56,789**	**(3,872)**

(1) Are included in this section the notional amounts of hedging derivatives and of swaps that reverse the interest rate positions, thus reducing the hedge relationship, when the hedged item still exists, for respectively 9,080 million euros for derivatives hedging loans and receivables and 78,864 million euros for derivatives hedging deposits. In addition, this section contains for a total notional amount of 15,950 million euros forward swaps which are per 31 December 2023 not yet covering loans or deposits. Both impacts should be subtracted from the notional amount of the hedging instruments to obtain the currently hedged part of our loans and deposits.

An asset or a liability or set of assets and liabilities, can be hedged over several periods of time with different derivative financial instruments. Besides, some hedges are achieved by the combination of two derivative instruments. In this case, the notional amounts add up and their total amount is higher than the hedged amount. The first situation is observed more particularly for interest rate risk hedged portfolios and the second for hedges of issued debt securities.

As regards discontinued fair value hedge relationships where the derivative contract was terminated, the cumulated amount of revaluation to be amortised over the residual life of the hedged items amounts to 984 million euros assets as at 31 December 2024, and to (81) million euros in liabilities, for hedges of portfolios of financial instruments. At 31 December 2023, these amounts were 1,139 million euros in assets and (88) million euros in liabilities.

Regarding hedges of identified instruments, the cumulated amount of revaluation remaining to be amortised over the residual life of the hedged instruments amount to 99 million euros in assets at 31 December 2024. At 31 December 2023, this amount was 105 million euros in assets.

The change in assets is mainly due to a modification in hedging strategy which entailed the replacement of derivatives hedging portfolios of loans and receivables in order to modify the floating rate fixing frequency of the swaps. Both the terminated swaps and the new hedging swaps have the same notional. The maturity of the related hedged items spreads out until 2040.

The notional amount of cash flow hedge derivatives is 23,971 million euros as at 31 December 2024. Changes in assets and liabilities recognised directly in equity amount to (18) million euros. At 31 December 2023, the notional amount of cash flow hedge derivatives was 22,282 million euros and the changes in assets and liabilities recognised directly in equity amount was (50) million euros.

The tables below present the notional amounts of hedging derivatives by maturity at 31 December 2024 and at 31 December 2023:

31 December 2024 *In millions of euros*	**Maturity date**		
	Less than 1 year	**Between 1 to 5 years**	**Over 5 years**
Fair value hedges	**93,265**	**54,097**	**33,936**
Interest rate derivatives	93,138	54,027	33,936
Foreign exchange derivatives	127	70	-
Cash flow hedges	**16,440**	**7,531**	**-**
Interest rate derivatives	2,601	3,438	-
Foreign exchange derivatives	13,839	4,093	-
Other derivatives	-	-	-
Net foreign investments hedges	**-**	**-**	**-**
Foreign exchange derivatives	-	-	-

31 December 2023 *In millions of euros*	Maturity date		
	Less than 1 year	Between 1 to 5 years	Over 5 years
Fair value hedges	**56,856**	**91,486**	**57,493**
Interest rate derivatives	56,809	91,287	57,493
Foreign exchange derivatives	47	199	-
Cash flow hedges	**16,970**	**4,762**	**550**
Interest rate derivatives	1,833	2,621	550
Foreign exchange derivatives	15,137	2,141	-
Other derivatives	-	-	-
Net foreign investments hedges	**-**	**-**	**-**
Foreign exchange derivatives	-	-	-

4.c Financial assets at fair value through Other Comprehensive Income

In millions of euros	31 December 2024		31 December 2023	
	Fair value	of which changes in value taken directly to equity	Fair value	of which changes in value taken directly to equity
Debt securities	**12,863**	**(378)**	**10,651**	**(120)**
Governments	3,700	(194)	2,716	(50)
Other public administrations	4,984	(126)	4,245	(24)
Credit institutions	3,861	(47)	3,020	(22)
Other	318	(11)	670	(24)
Equity securities	**170**	**127**	**151**	**108**
Total financial assets at fair value through Other Comprehensive Income	**13,033**	**(251)**	**10,802**	**(12)**

The option to recognise certain equity instruments at fair value through equity was retained in particular for shares held through strategic partnerships and shares that the bank is required to hold in order to carry out certain activities.

During 2024, BNP Paribas Fortis realised immaterial sales.

4.d Measurement of the fair value of financial instruments

Valuation process

BNP Paribas Fortis has retained the fundamental principle that it should have a unique and integrated processing chain for producing and controlling the valuations of financial instruments that are used for the purpose of daily risk management and financial reporting. All these processes are based on a common economic valuation which is a core component of business decisions and risk management strategies.

Economic value is composed of mid-market value, to which valuation adjustments are made.

Mid-market value is derived from external data or valuation techniques that maximise the use of observable and market-based data. Mid-market value is a theoretical additive value which does not take account of i) the direction of the transaction or its impact on the existing risks in the portfolio, ii) the nature of the counterparties, and iii) the aversion of a market participant to particular risks inherent in the instrument, the market in which it is traded, or the risk management strategy.

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market.

Fair value generally equals the economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

Collaterals

The most important categories of collateral and other credit enhancements BNPPF received are:

- Mortgages on real estate in lending business
- Securities received as collateral mainly in reverse repo and derivative transactions.
- Cash collateral in derivative transactions
- Off-balance financial guarantees received

The main valuation adjustments are presented in the section below.

Valuation adjustments

Valuation adjustments retained by BNP Paribas Fortis for determining fair values are as follows:

Bid/offer adjustments: the bid/offer range reflects the additional exit cost for a price taker and symmetrically the compensation sought by dealers to bear the risk of holding the position or closing it out by accepting another dealer's price.

BNP Paribas Fortis assumes that the best estimate of an exit price is the bid or offer price, unless there is evidence that another point in the bid/offer range would provide a more representative exit price.

Input uncertainty adjustments: when the observation of prices or data inputs required by valuation techniques is difficult or irregular, an uncertainty exists on the exit price. There are several ways to gauge the degree of uncertainty on the exit price such as measuring the dispersion of the available price indications or estimating the possible ranges of the inputs to a valuation technique.

Model uncertainty adjustments: these relate to situations where valuation uncertainty is due to the valuation technique used, even though observable inputs might be available. This situation arises when the risks inherent in the instruments are different from those available in the observable data, and therefore the valuation technique involves assumptions that cannot be easily corroborated.

Credit valuation adjustment (CVA): the CVA adjustment applies to valuations and market quotations whereby the credit worthiness of the counterparty is not reflected. It aims to account for the possibility that the counterparty may default and that BNP Paribas Fortis may not receive the full fair value of the transactions.

In determining the cost of exiting or transferring counterparty risk exposures, the relevant market is deemed to be an inter-dealer market. However, the determination of CVA remains judgemental due to i) the possible absence or lack of price discovery in the inter-dealer market, ii) the influence of the regulatory landscape relating to counterparty risk on the market participants' pricing behaviour and iii) the absence of a dominant business model for managing counterparty risk.

The CVA model is grounded on the same exposures as those used for regulatory purposes. The model attempts to estimate the cost of an optimal risk management strategy based on i) implicit incentives and constraints inherent in the regulations in force and their evolutions, ii) market perception of the probability of default and iii) default parameters used for regulatory purposes.

Funding valuation adjustment (FVA): when valuation techniques are used for the purpose of deriving fair value, funding assumptions related to the future expected cash flows are an integral part of the mid-market valuation, notably through the use of appropriate discount rates. These assumptions reflect what the bank anticipates as being the effective funding conditions of the instrument that a market participant would consider. This notably takes into account the existence and terms of any collateral agreement. In particular, for non- or imperfectly collateralised derivative instruments, they include an explicit adjustment to the interbank interest rate.

Own-credit valuation adjustment for debts (OCA) and for derivatives (debit valuation adjustment - DVA): OCA and DVA are adjustments reflecting the effect of credit worthiness of BNP Paribas Fortis, on respectively the value of debt securities designated as at fair value through profit or loss and derivatives. Both adjustments are based on the expected future liability profiles of such instruments. The own credit worthiness is inferred from the market-based observation of the relevant bond issuance levels. The DVA adjustment is determined after taking into account the Funding Valuation Adjustment (FVA).

Thus, the carrying value of issued debt securities designated as at fair value through profit or loss is increased by 0 million euros as at 31 December 2024, compared with an increase in value of (1) million euros as at 31 December 2023, i.e. a 1 million euros variation recognised directly in equity that will not be reclassified to profit and loss.

Instrument classes and classification within the fair value hierarchy for assets and liabilities measured at fair value

As explained in the summary of significant accounting policies (note 1.g.9), financial instruments measured at fair value are categorised into a fair value hierarchy consisting of three levels.

Fair values of derivatives are broken down by dominant risk factor, namely interest rate, foreign exchange, credit and equity. Derivatives used for hedging purposes are mainly interest rate derivatives.

In millions of euros	31 December 2024											
	Trading Book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through Other Comprehensive Income			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**476**	**53**	**-**	**529**	**207**	**46**	**982**	**1,235**	**12,576**	**372**	**85**	**13,033**
Governments	318	-	-	318	-	-	-	-	3,583	14	72	3,669
Asset Backed Securities	-	-	-	-	-	42	-	42	-	267	-	267
Other debt securities	158	53	-	211	-	(4)	140	136	8,830	91	6	8,927
Equities and other equity securities	-	-	-	-	207	8	842	1,057	163	-	7	170
Loans and repurchase agreements	**-**	**2,718**	**-**	**2,718**	**-**	**128**	**97**	**225**	**-**	**-**	**-**	**-**
Loans	-	-	-	-	-	128	97	225	-	-	-	-
Repurchase agreements	-	2,718	-	2,718	-	-	-	-	-	-	-	-
Financial assets at fair value	**476**	**2,771**	**-**	**3,247**	**207**	**174**	**1,079**	**1,460**	**12,576**	**372**	**85**	**13,033**
Securities	**786**	**-**	**-**	**786**	**-**	**-**	**-**	**-**				
Governments	684	-	-	684	-	-	-	-				
Other debt securities	102	-	-	102	-	-	-	-				
Equities and other equity securities	-	-	-	-	-	-	-	-				
Borrowings and repurchase agreements	**-**	**7,725**	**-**	**7,725**	**-**	**119**	**-**	**119**				
Borrowings	-	15	-	15	-	119	-	119				
Repurchase agreements	-	7,710	-	7,710	-	-	-	-				
Issued debt securities (Note 4.h)	**-**	**-**	**-**	**-**	**-**	**3,535**	**635**	**4,170**				
Subordinated debt (Note 4.h)	-	-	-	-	-	816	-	816				
Non subordinated debt (Note 4.h)	-	-	-	-	-	2,719	635	3,354				
Financial liabilities at fair value	**786**	**7,725**	**-**	**8,511**	**-**	**3,654**	**635**	**4,289**				

In millions of euros	31 December 2023											
	Trading Book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through other comprehensive income			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**499**	**37**	**-**	**536**	**159**	**51**	**858**	**1,068**	**10,298**	**446**	**58**	**10,802**
Governments	383	-	-	**383**	-	-	-	**-**	2,612	34	48	**2,694**
Asset Backed Securities	-	-	-	**-**	-	51	-	**51**	-	325	-	**325**
Other debt securities	39	37	-	**76**	-	(5)	140	**135**	7,545	87	-	**7,632**
Equities and other equity securities	77	-	-	**77**	159	5	718	**882**	141	-	10	**151**
Loans and repurchase agreements	**-**	**1,499**	**97**	**1,596**	**-**	**5**	**73**	**78**	**-**	**-**	**-**	**-**
Loans	-	-	-	**-**	-	5	73	**78**	-	-	-	**-**
Repurchase agreements	-	1,499	97	**1,596**	-	-	-	**-**	-	-	-	**-**
Financial assets at fair value	**499**	**1,536**	**97**	**2,132**	**159**	**56**	**931**	**1,146**	**10,298**	**446**	**58**	**10,802**
Securities	**697**	**-**	**-**	**697**	**-**	**-**	**-**	**-**				
Governments	626	-	-	**626**	-	-	-	-				
Other debt securities	71	-	-	**71**	-	-	-	-				
Equities and other equity securities	-	-	-	**-**	-	-	-	-				
Borrowings and repurchase agreements	**-**	**11,654**	**-**	**11,654**	**-**	**134**	**-**	**134**				
Borrowings	-	13	-	**13**	-	134	-	**134**				
Repurchase agreements	-	11,641	-	**11,641**	-	-	-	**-**				
Issued debt securities (Note 4.h)	**-**	**-**	**-**	**-**	**-**	**2,114**	**607**	**2,721**				
Subordinated debt (Note 4.h)	-	-	-	**-**	-	735	-	**735**				
Non subordinated debt (Note 4.h)	-	-	-	**-**	-	1,379	607	**1,986**				
Financial liabilities at fair value	**697**	**11,654**	**-**	**12,351**	**-**	**2,248**	**607**	**2,855**				

In millions of euros	31 December 2024							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	335	3,635	83	4,053	356	3,842	115	4,313
Foreign exchange derivatives	-	1,771	-	1,771	-	1,726	9	1,735
Credit derivatives	-	-	-	-	-	3	-	3
Equity derivatives	-	486	-	486	-	15	-	15
Other derivatives	-	-	-	-	-	-	-	-
Derivative financial instruments not used for hedging purposes	**335**	**5,892**	**83**	**6,310**	**356**	**5,586**	**124**	**6,066**
Derivative financial instruments used for hedging purposes	**-**	**4,414**	**-**	**4,414**	**-**	**7,318**	**-**	**7,318**

In millions of euros	31 December 2023							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	379	4,014	159	**4,552**	438	4,200	124	**4,762**
Foreign exchange derivatives	-	1,176	-	**1,176**	-	1,303	7	**1,310**
Credit derivatives	-	-	-	**-**	-	23	-	**23**
Equity derivatives	-	413	-	**413**	-	46	-	**46**
Other derivatives	-	-	-	**-**	-	-	-	**-**
Derivative financial instruments not used for hedging purposes	**379**	**5,603**	**159**	**6,141**	**438**	**5,572**	**131**	**6,141**
Derivative financial instruments used for hedging purposes	**-**	**5,418**	**-**	**5,418**	**-**	**8,271**	**-**	**8,271**

Transfers between levels may occur when an instrument fulfils the criteria defined, which are generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events during the transaction lifetime. The timing of recognising transfers is determined at the beginning of the reporting period.

During 2024, transfers between Level 1 and Level 2 were not significant.

Description of main instruments in each level

The following section provides a description of the instruments in each level in the hierarchy. It describes notably instruments classified in Level 3 and the associated valuation methodologies.

For main trading book instruments and derivatives classified in Level 3, further quantitative information is provided about the inputs used to derive fair value.

Level 1

This level encompasses all derivatives and securities that are quoted continuously in active markets.

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options...). It includes shares of funds and UCITS, for which the net asset value is calculated on a daily basis.

Level 2

The Level 2 stock of securities is composed of securities which are less liquid than the Level 1 bonds. They are predominantly government bonds, corporate debt securities, mortgage backed securities, fund shares and short-term securities such as certificates of deposit. They are classified in Level 2 notably when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices. This comprises amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers. Other sources, such as primary issuance market, may also be used where relevant.

Repurchase agreements are classified predominantly in Level 2. The classification is primarily based on the observability and liquidity of the repo market, depending on the underlying collateral and the maturity of the repo transaction.

Debts issued designated as at fair value through profit and loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives classified in Level 2 comprise mainly the following instruments:

- Vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;
- Structured derivatives for which model uncertainty is not significant such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

The above derivatives are classified in Level 2 when there is a documented stream of evidence supporting one of the following:

- Fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;
- Fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;
- Fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

Determining of whether an over-the-counter (OTC) derivative is eligible for Level 2 classification involves judgement. Consideration is given to the origin, transparency and reliability of external data used, and the amount of uncertainty associated with the use of models. It follows that the Level 2 classification criteria involve multiple analysis axis within an 'observability zone' whose limits are determined by i) a predetermined list of product categories and ii) the underlying and maturity bands. These criteria are regularly reviewed and updated, together with the applicable valuation adjustments, so that the classification by level remains consistent with the valuation adjustment policy.

Level 3

Level 3 securities of the trading book mainly comprise units of funds and unlisted equity shares measured at fair value through profit or loss or through equity.

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value which are classified in the Level 1 of the fair value hierarchy. The valuation of the unlisted level 3 private equity funds is based on the most recent available GP NAV report.

Shares and other unlisted variable income securities in Level 3 are valued using one of the following methods: a share of revalued net book value, multiples of comparable companies, future cash flows method, multi-criteria approach.

Repurchase agreements: mainly long-term or structured repurchase agreements on corporate bonds and ABSs: The valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

Debts issued designated as at fair value through profit or loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets. The main instruments are:

- **Interest rate derivatives:** exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques;
- **Credit derivatives (CDS):** exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium;
- **Equity derivatives:** exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

Similarly, long-term transactions on equity baskets are also classified in Level 3, based on the absence of equity correlation observability on long maturities.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty on liquidity, specialised by nature of underlying and liquidity bands.

Structured derivatives classified in Level 3 predominantly comprise hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments. The main exposures are described below, with insight into the related valuation techniques and on the source of uncertainty:

- **Structured interest rate options** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3;
- **Hybrid FX/Interest rate products** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC) when there is material valuation uncertainty. When valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations, such products are classified as level 3. PRDCs valuations are corroborated with recent trade data and consensus data;
- **Securitisation swaps** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data;
- **Forward volatility options** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data;
- **Inflation derivatives** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration;
- The valuation of **bespoke CDO**s requires correlation of default events when there is material valuation uncertainty. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling;
- **N to Default baskets** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable;

- **Equity and equity-hybrid correlation products** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices or foreign exchange rates. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

These structured derivatives are subject to specific valuation adjustments to cover uncertainties linked to liquidity, parameters and model risk.

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. and justifies classifying these transactions in Level 3.

The table below provides the range of values of main unobservable inputs for the valuation of Level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas Fortis. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in Level 3 are equivalent to those of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Risk classes	Balance Sheet valuation (In millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Interest rate derivatives	83	115	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	3% to 56%	9% (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe	19% to 45%	35%
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and Belgian inflation	Inflation pricing model	Volatility of cumulative inflation	1.3% to 11.6%	(b)
					Volatility of the year on year inflation rate	0.3% to 2.6%	
			Forward volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.5% to 0.8%	(b)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modeling Discounted cash flows	Constant prepayment rates	0% to 25%	0.2% (a)

(a) Weights based on relevant risk axis at portfolio level

(b) No weighting since no explicit sensitivity is attributed to these inputs

Table of movements in Level 3 financial instruments

For Level 3 financial instruments, the following movements occurred in the year ended on 31 December 2024:

In millions of euros	Financial assets				Financial liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial assets at fair value through profit or loss not held for trading	Financial assets at fair value through other comprehensive income	Total	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss not held for trading	Total
At 31 December 2023	**256**	**931**	**58**	**1,245**	**131**	**607**	**738**
Purchases	-	127	-	**127**	-	-	**-**
Issues	-	-	-	**-**	-	31	**31**
Sales	-	(46)	(6)	**(52)**	-	-	**-**
Settlements [1]	(168)	35	14	**(119)**	(19)	(32)	**(51)**
Transfers to Level 3	-	-	28	**28**	-	11	**11**
Transfers from Level 3	-	(4)	-	**(4)**	-	(2)	**(2)**
Gains or (losses) recognised in profit or loss with respect to transactions expired or terminated during the period	-	39	-	**39**	-	20	**20**
Gains or (losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	*(5)*	-	-	**(5)**	12	-	**12**
Changes in fair value of assets and liabilities recognised directly in equity	-	-	-	**-**	-	-	**-**
- Items related to exchange rate movements	-	(3)	(8)	**(11)**	-	-	**-**
- Changes in assets and liabilities recognised in equity	-	-	(1)	**(1)**	-	-	**-**
At 31 December 2024	**83**	**1,079**	**85**	**1,247**	**124**	**635**	**759**

(1) For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, and of market parameters related to repurchase agreements and credit transactions but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

Sensitivity of fair value to reasonably possible changes in Level 3 assumptions

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas Fortis either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard 'Prudent Valuation' published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas Fortis for entering into a transaction.

In millions of euros	31 December 2024		31 December 2023	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Debt securities	+/-1	+/-0	+/-1	+/-0
Equities and other equity securities	+/-9	+/-0	+/-7	+/-0
Loans and repurchase agreements	+/-1		+/-0	
Derivative financial instruments	+/-4		+/-2	
Interest rate and foreign exchange derivatives	+/-4		+/-6	
Credit derivatives	+/-0		+/-6	
Equity derivatives	+/-0		+/-0	
Other derivatives	+/-0		+/-0	
Sensitivity of Level 3 financial instruments	**+/-15**	**+/-0**	**+/-16**	**+/-0**

Deferred margin on financial instruments measured using techniques developed internally and based on inputs partly unobservable in active markets

Deferred margin on financial instruments ('Day One Profit') primarily concerns the scope of financial instruments eligible for Level 3 and to a lesser extent some financial instruments eligible for Level 2 where valuation adjustments for uncertainties regarding parameters or models are important compared with the initial margin.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable.

The deferred margin not taken to the profit and loss account but contained in the price of the derivatives sold to clients and measured using internal models based on non-observable parameters ('Day one profit') is less than 1 million euros.

4.e Financial assets at amortised cost

Detail of loans and advances by nature

In millions of euros	31 December 2024			31 December 2023		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Loans and advances to credit institutions	**19,958**	**(61)**	**19,897**	**19,173**	**(57)**	**19,116**
On demand accounts	3,047	(1)	3,046	2,999	(1)	2,998
Loans	888	(60)	828	3,226	(56)	3,170
Repurchase agreements	16,023	-	16,023	12,948	-	12,948
Loans and advances to customers	**232,026**	**(3,188)**	**228,838**	**222,472**	**(3,169)**	**219,303**
On demand accounts	4,496	(661)	3,835	4,589	(592)	3,997
Loans to customers	203,503	(1,917)	201,586	194,883	(2,038)	192,845
Finance leases	24,027	(610)	23,417	23,000	(539)	22,461
Repurchase agreements	-	-	-	-	-	-
Total loans and advances at amortised cost	**251,984**	**(3,249)**	**248,735**	**241,645**	**(3,226)**	**238,419**

Detail of debt securities by type of issuer

In millions of euros	31 December 2024			31 December 2023		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Governments	11,223	(3)	11,220	9,229	(5)	9,224
Other public administrations	2,677	-	2,677	2,070	-	2,070
Credit institutions	1,291	-	1,291	774	-	774
Other	95	-	95	440	(1)	439
Total debt securities at amortised cost	**15,286**	**(3)**	**15,283**	**12,513**	**(6)**	**12,507**

Detail of financial assets at amortised cost by stage

In millions of euros	31 December 2024			31 December 2023		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Loans and advances to credit institutions	**19,958**	**(61)**	**19,897**	**19,173**	**(57)**	**19,116**
Stage 1	19,874	(1)	19,873	18,985	(1)	18,984
Stage 2	21	(1)	20	121	(1)	120
Stage 3	63	(59)	4	67	(55)	12
Loans and advances to customers	**232,026**	**(3,188)**	**228,838**	**222,472**	**(3,169)**	**219,303**
Stage 1	210,335	(352)	209,983	197,548	(349)	197,199
Stage 2	15,940	(333)	15,607	20,235	(485)	19,750
Stage 3	5,751	(2,503)	3,248	4,689	(2,335)	2,354
Debt securities	**15,286**	**(3)**	**15,283**	**12,513**	**(6)**	**12,507**
Stage 1	15,284	(3)	15,281	12,492	(5)	12,487
Stage 2	-	-	-	21	(1)	20
Stage 3	2	-	2	-	-	-
Total financial assets at amortised cost	**267,270**	**(3,252)**	**264,018**	**254,158**	**(3,232)**	**250,926**

Contractual maturities of finance leases

In millions of euros	31 December 2024	31 December 2023
Gross investment	**26,487**	**25,198**
Receivable within 1 year	8,423	7,578
Receivable after 1 year but within 5 years	15,641	15,243
Receivable beyond 5 years	2,423	2,377
UNEARNED INTEREST INCOME	**(2,460)**	**(2,198)**
Net investment before impairment	**24,027**	**23,000**
Receivable within 1 year	7,408	6,679
Receivable after 1 year but within 5 years	14,363	14,087
Receivable beyond 5 years	2,256	2,234
IMPAIRMENT PROVISIONS	**(610)**	**(539)**
Net investment after impairment	**23,417**	**22,461**

4.f Impaired financial assets (Stage 3)

The following tables present the carrying amounts of impaired financial assets carried at amortised cost and of impaired financing and guarantee commitments, as well as related collateral and other guarantees.

The amounts shown for collateral and other guarantees correspond to the lower of the value of the collateral or other guarantee and the value of the secured assets.

	31 December 2024			
	Stage 3 assets			
In millions of euros	Gross value	Impairment	Net	Collateral received
Loans and advances to credit institutions (note 4.e)	63	(59)	4	-
Loans and advances to customers (note 4.e)	5,751	(2,503)	3,248	2,392
Debt securities at amortised cost (note 4.e)	2	-	2	-
Total amortised cost impaired assets (Stage 3)	**5,816**	**(2,562)**	**3,254**	**2,392**
Financing commitments given	220	(4)	216	73
Guarantee commitments given	202	(70)	132	78
Total off-balance sheet impaired commitments (Stage 3)	**422**	**(74)**	**348**	**151**

	31 December 2023			
	Stage 3 assets			
In millions of euros	Gross value	Impairment	Net	Collateral received
Loans and advances to credit institutions (note 4.e)	67	(55)	12	-
Loans and advances to customers (note 4.e)	4,689	(2,335)	2,354	1,813
Debt securities at amortised cost (note 4.e)	-	-	-	-
Total amortised cost impaired assets (Stage 3)	**4,756**	**(2,390)**	**2,366**	**1,813**
Financing commitments given	194	(20)	174	75
Guarantee commitments given	138	(60)	78	53
Total off-balance sheet impaired commitments (Stage 3)	**332**	**(80)**	**252**	**128**

The table below shows information regarding the variations of the gross outstandings in Stage 3 :

Gross value Impaired financial assets (Stage 3) *In millions of euros*	31 December 2024	31 December 2023
Opening balance	**4,756**	**4,336**
Transfer to Stage 3	2,707	1,653
Transfer to Stage 1 or Stage 2	(409)	(518)
Amounts Written offs	(526)	(359)
Other changes	(712)	(356)
Closing balance	**5,816**	**4,756**

4.g Financial liabilities at amortised cost due to credit institutions and customers

In millions of euros	31 December 2024	31 December 2023
Deposits from credit institutions	**63,292**	**62,845**
On demand accounts	1,690	1,565
Interbank borrowings	42,589	32,636
Repurchase agreements	19,013	28,644
Deposits from customers	**212,937**	**203,931**
On demand deposits	78,270	78,779
Savings accounts	88,342	81,310
Term accounts and short-term notes	44,829	43,181
Repurchase agreements	1,496	661

4.h Debt securities and subordinated debt

This note covers all debt securities and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

Debt securities and subordinated debt at fair value through profit and loss

In millions of euros	31 December 2024	31 December 2023
Debt securities	3,354	1,986
Subordinated debt	816	735
Total debt securities and subordinated debt at fair value through profit or loss	**4,170**	**2,721**

Debt securities measured at amortised cost

In millions of euros	31 December 2024	31 December 2023
Negotiable certificates of deposit and other debt securities	7,076	10,331
Bond issues	13,682	13,470
Total debt securities at amortised cost	**20,758**	**23,801**

Subordinated debt measured at amortised cost

In millions of euros	31 December 2024	31 December 2023
Redeemable subordinated debt	6,662	2,235
Undated subordinated debt	284	-
Total subordinated debt measured at amortised cost	**6,946**	**2,235**

The subordinated debt designated at fair value through profit or loss mainly consists of Convertible And Subordinated Hybrid Equity linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of 239.40 euros. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than 359.10 euros for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

Since the 1st of January 2022, the subordinated liability is no longer eligible to prudential own funds.

The outstanding nominal amount of the CASHES is 831.5 million euros as of 31 December 2024 and 31 December 2023 respectively.

4.i Current and deferred taxes

In millions of euros	31 December 2024	31 December 2023
Current taxes	208	217
Deferred taxes	623	847
Current and deferred tax assets	**831**	**1,064**
Current taxes	256	278
Deferred taxes	1,215	1,084
Current and deferred tax liabilities	**1,471**	**1,362**

Changes in deferred tax by nature over the period

In millions of euros	31 December 2023	Changes recognised through profit or loss	Changes recognised through equity that may be reclassified to profit or loss	Changes recognised through equity that will not be reclassified to profit or loss	Changes in the consolidation scope, in exchange rate movements and other items	31 December 2024
Financial instruments	(22)	(203)	51	-	2	(172)
Provisions for employee benefit obligations	116	183	-	(19)	(5)	275
Unrealised finance lease reserve	(290)	(48)	-	-	21	(317)
Credit risk impairment	535	(67)	-	-	(14)	454
Tax loss carryforwards	290	(129)	-	-	(3)	158
Other items	(866)	(164)	-	-	40	(990)
Net deferred taxes	**(237)**	**(428)**	**51**	**(19)**	**41**	**(592)**
Deferred tax assets	847					623
Deferred tax liabilities	1,084					1,215

In order to determine the amount of the tax loss carryforwards recognised as assets, BNP Paribas Fortis conducts every year a specific review for each relevant entity, based on the applicable tax regime – notably incorporating any time limit rules – and a realistic projection of their future revenues and charges in line with their business plan.

As at 31 December 2024, BNP Paribas Fortis SA has used all of tax loss carryforwards:

Deferred tax assets recognized on tax losses only concern subsidiaries.

Unrecognised deferred tax assets totaled 205 million euros as at 31 December 2024 (of which 180 million euros of tax loss carryforwards) compared with 214 million euros as at 31 December 2023 (of which 199 million euros of tax loss carryforwards).

4.j Accrued income/expense and other assets/ liabilities

In millions of euros	31 December 2024	31 December 2023
Guarantee deposits and bank guarantees paid	4,320	4,898
Collection accounts	71	126
Accrued income and prepaid expenses	1,649	1,276
Other debtors and miscellaneous assets	7,410	7,368
Total accrued income and other assets	**13,450**	**13,668**
Guarantee deposits received	315	731
Collection accounts	546	621
Accrued expense and deferred income	2,460	2,302
Lease liabilities	293	309
Other creditors and miscellaneous liabilities	6,904	8,288
Total accrued expense and other liabilities	**10,518**	**12,251**

Other debtors and miscellaneous assets refer to mainly assets of the employee benefit plans 2.5 billion euros (2.5 billion euros in 2023), transitory accounts 1.3 billion euros (1.5 billion euros in 2023), inventory of cars 1 billion euros (1 billion euros in 2023) and other prepaid and accrued income 1.2 billion euros (0.9 billion euros in 2023).

Other creditors and miscellaneous liabilities mainly include :

- other accruals and deferred charges and other creditors amounting to 3.8 billion euros (5.6 billion in 2023) mainly related to transitory accounts of operations in banking activities in Belgium, Turkey (lending activities, settlements of transactions and international payments).
- Other creditors mainly related to amounts to be paid to suppliers amounting to 1.1 billion euros (1.2 billion euros in 2023).

4.k Equity-method investments

Cumulated financial information of associates and joint ventures is presented in the following table:

	Year to 31 Dec. 2024			31 December 2024	Year to 31 Dec. 2023			31 December 2023
In millions of euros	Share of net income	Share of changes in assets and liabilities recognised directly in equity	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments	Share of net income	Share of changes in assets and liabilities recognised directly in equity	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments
Joint ventures	-	3	3	90	(2)	(1)	(3)	29
Associates	465	139	604	2,991	313	125	438	2,602
Total equity-method entities	**465**	**142**	**607**	**3,081**	**311**	**124**	**435**	**2,631**

Financing and guarantee commitments given by BNP Paribas Fortis to joint ventures and associates are listed in the Note 7.h 'Other related parties'.

The carrying amount of the BNP Paribas Fortis' investment in the main joint ventures and associates is presented in the following table:

			31 December 2024		31 December 2023	
In millions of euros	Country of registration	Activity	Interest %	Equity-method investments	Interest %	Equity-method investments
Associates						
AG Insurance	Belgium	Insurance	25%	739	25%	607
BNP Paribas Asset Management	France	Asset management	30.9%	990	30.9%	915
BNPP Bank Polska	Poland	Retail banking	24.0%	857	24.0%	705

AG Insurance

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Total net income	614	674
Changes in assets and liabilities recognised directly in equity	559	343

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Total assets	74,843	71,594
Total liabilities	72,233	69,519
Net assets of the equity associate	**2,610**	**2,075**

BNP Paribas Asset Management

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Total net income	245	138
Changes in assets and liabilities recognised directly in equity	(23)	200

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Total assets	3,041	3,291
Total liabilities	1,748	2,235
Net assets of the equity associate	**1,293**	**1,056**

BNPP Bank Polska SA

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Total net income	521	211
Changes in assets and liabilities recognised directly in equity	27	127

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Total assets	38,040	35,911
Total liabilities	34,553	33,055
Net assets of the equity associate	**3,487**	**2,856**

Impairment testing on investments in equity associates

IFRS rules require to assess at the end of each reporting period whether there is any objective evidence that (the value of) an investment in an equity-method entity should be tested for impairment or not. Upon testing, if the recoverable amount of this investment (being the highest of its fair market value and its value in use) is lower than its book value, the book value is reduced to its recoverable amount by recording an impairment.

The DCF approach (discounted cash flows) is used to determine the value-in-use.

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk (cash flows) based on medium-term business plans over a period of five years. Cash flow projections beyond the five-year forecast period are based on a growth rate to perpetuity and are normalised when the short-term environment does not reflect the normal conditions of the economic cycle.

The key parameters which are sensitive to the assumptions made are the cost of capital, the cost/income ratio, the cost of risk and the growth rate to perpetuity.

Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each investment. The values of these parameters are obtained from external information sources.

Allocated capital is determined for each investment based on the Common Equity Tier 1 regulatory requirements for the legal entity to which the investment belongs, with a minimum of 7% except for AG Insurance for which the DDM (discounted dividend model) is used to determine the value-in-use.

The growth rate to perpetuity used is 2% for mature economies in Europe.

At 31 December 2024, impairment tests were performed on the investments held by BNP Paribas Fortis, in BNP Paribas Asset Management, in BNP Paribas Bank Polska and in AG Insurance. None of these tests demonstrated the need to record an impairment on the investments.

The table below shows the sensitivity of the estimated value of the investments to a 10-basis point change in the cost of capital, a 1% change in the cost/income ratio in terminal value, a 5% change of the cost of risk in terminal value and a 50-basis point change in the growth rate to perpetuity. There would be no need to depreciate any investment when using any of the unfavourable variations in the table.

	31 December 2024		
In millions of euros	BNP Paribas Asset Management	BNP Paribas Bank Polska SA	AG Insurance
Cost of capital			
Adverse change (+10 basis points)	(16)	(34)	(34)
Positive change (-10 basis points)	16	35	35
Cost/income ratio			
Adverse change (+1%)	(22)	(40)	-
Positive change (-1%)	22	40	-
Cost of risk			
Adverse change (+5%)	-	(11)	-
Positive change (-5%)	-	11	-
Long-term growth rate			
Adverse change (-50 basis points)	(52)	(92)	(123)
Positive change (+50 basis points)	59	106	143

4.l Property, plant, equipment and intangible assets used in operations, investment property

	31 December 2024			31 December 2023		
In millions of euros	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**228**	**(116)**	**112**	**217**	**(106)**	**111**
Land and buildings	2,610	(1,515)	1,095	2,558	(1,398)	1,160
Equipment, furniture and fixtures	778	(608)	170	634	(449)	185
Plant and equipment leased as lessor under operating leases	51,121	(11,080)	40,041	45,242	(10,586)	34,656
Other property, plant and equipment	736	(182)	554	534	(171)	363
Property, plant and equipment	**55,245**	**(13,385)**	**41,860**	**48,968**	**(12,604)**	**36,364**
of which right of use	**753**	**(480)**	**273**	**729**	**(417)**	**312**
Purchased software	475	(371)	104	323	(235)	88
Internally-developed software	1,238	(750)	488	1,346	(898)	448
Other intangible assets	55	(25)	30	113	(78)	35
Intangible assets	**1,768**	**(1,146)**	**622**	**1,782**	**(1,211)**	**571**

Investment property

Land and buildings leased by the bank as lessor under operating leases are recorded in 'Investment property'.

The estimated fair value of investment property accounted for at amortised cost at 31 December 2024 is 272 million euros, compared with 263 million euros for the year ended 31 December 2023.

Operating leases

Operating leases and investment property transactions are in certain cases subject to agreements providing for the following future minimum payments:

In millions of euros	31 December 2024	31 December 2023
Future minimum lease payments receivable under non-cancellable leases	**12,673**	**10,708**
Payments receivable within 1 year	5,321	4,568
Payments receivable after 1 year but within 5 years	7,326	6,097
Payments receivable beyond 5 years	26	43

Future minimum lease payments receivable under non-cancellable leases are payments that the lessee is required to make during the lease term.

At 31 December 2024, commitments to purchase vehicles and equipment intended for operating leasing amounted to EUR 5.2 billion.

Intangible assets

Other intangible assets include leasehold rights, goodwill and trademarks acquired by the BNP Paris Fortis.

Depreciation, amortisation and impairment

The total depreciation, amortisation and impairment of property, plant and equipment and intangible assets for the year ending 31 December 2024 was (405) million euros, compared with (375) million euros for the year ending 31 December 2023.

The above mentioned amounts include a net reversal to impairment provisions taken into account to the profit and loss account in the year ending 31 December 2024 for 1 million euros, compared with a net charge to impairment provisions of 1 million euros for the year ended 31 December 2023.

4.m Goodwill

In millions of euros	31 December 2024	31 December 2023
Carrying amount at start of period	**872**	**848**
Acquisitions	-	22
Divestments	-	-
Impairment recognised during the period	-	-
Exchange rate adjustments	8	2
Other movements	-	-
Carrying amount at end of period	**880**	**872**
Gross value	1,004	1,004
Accumulated impairment recognised at the end of period	(124)	(132)

Goodwill by cash-generating units is as follows:

	Carrying amount		Impairment recognised during the period		Acquisitions of the period	
In millions of euros	31 December 2024	31 December 2023	Year to 31 Dec. 2024	Year to 31 Dec. 2023	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Alpha Credit	22	22	-	-	-	-
CPBB	34	34	-	-	-	-
BNP Paribas Leasing Solutions	145	145	-	-	-	-
Wealth Management Luxemburg	38	38	-	-	-	-
Arval	641	633	-	-	-	22
Total goodwill	**880**	**872**	**-**	**-**	**-**	**22**

BNP Paribas Fortis activities are divided into cash-generating units, representing reporting entities or groups of reporting entities of BNP Paribas Fortis. The breakdown is consistent with BNP Paribas Fortis' organisational structure and management methods, and reflects the independence of the reporting entities in terms of results and management approach. This is reviewed on a regular basis in order to take into account events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

In accordance with accounting principles, BNP Paribas Fortis regularly reviews its cash-generating units (note 1.c.4 Business combinations and goodwill evaluation). Following the review conducted in 2024, BNP Paribas Fortis considers that there is a strong and growing interconnection of Axepta, a provider of payment solutions and services to businesses, and Factoring activities with the activities of Commercial & Personal Banking in Belgium ('CPBB'). Consequently, and in order to reflect the growing proximity of Axepta and Factoring activities with the rest of CPBB's activities, the goodwill of Axepta and Factoring have been allocated to Commercial & Personal Banking in Belgium. This review had no impact on the 2024 income statement.

The cash-generating units to which goodwill is allocated are:

- **Alpha Credit** is the leading provider of consumer credits in Belgium and the Grand Duchy of Luxembourg. Alpha Credit markets all types of instalment loans (personal loans, car loans, motorbike loans, kitchen loans, etc.), as well as payment cards with a permanent cash reserve (revolving credit). The company offers its services to both private individuals and professionals. In 2023, Alpha Credit acquired two legal entities incorporated in the United Kingdom, namely Creation Financial Services and Creation Consumer Finance. The cash-generating unit includes Alpha Credit and its subsidiaries;
- **Commercial & Personal Banking in Belgium ('CPBB')** comprises banking services to a range of client types through three main customer segments ; Retail Banking (individual customers, self-employed people and small businesses), Affluent & Private Banking (individual customers with a certain minimum amount of assets, self-employed people and firms in the liberal professions) and Corporate banking (corporate clients, public-sector entities and institutional clients);
- **BNP Paribas Leasing Solutions** is an European leader in leasing for corporate and small business clients. It specialises in rental and finance solutions, ranging from professional equipment leasing to fleet outsourcing;
- **Wealth Management Luxembourg:** ABN AMRO Wealth Management Luxembourg was acquired by BGL BNP Paribas on the 3rd of September 2018 and subsequently integrated into its Wealth Management business unit. The Wealth Management business line targets an international client base, in particular business owners and families, assisting them with their specific needs through tailored asset and financial management solutions, in addition to a suite of high-quality services: investment advice; discretionary management; wealth planning and organisation; asset diversification and financing;
- **Arval** specialises in full service vehicle leasing. Arval offers its customers – large international corporates, SMEs and professionals – tailored solutions that optimise their employees' mobility and outsource the risks associated with fleet management.

Impairment tests

According to IFRS-rules, goodwill should be tested for impairment at least on an annual basis or upon occurrence of a triggering event by comparing the carrying amount of the entity with the recoverable amount. The recoverable amount corresponds to the highest of fair market value of an entity and its value in use. The DCF approach (discounted cash flows) is used to determine the value-in-use. If the recoverable amount is lower than the carrying amount (or book value), an impairment loss is recognised for the difference.

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk (cash flows) based on medium-term business plans over a period of five years. Cash flow projections beyond the five-year forecast period are based on a growth rate to perpetuity and are normalised when the short-term environment does not reflect the normal conditions of the economic cycle.

The key parameters which are sensitive to the assumptions made are the cost of capital, the cost/income ratio, the cost of risk and the growth rate to perpetuity.

Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each cash-generating unit. The values of these parameters are obtained from external information sources.

Allocated capital is determined for each cash-generating unit based on the Common Equity Tier 1 regulatory requirements for the legal entity to which the cash-generating unit belongs, with a minimum of 7%.

The growth rate to perpetuity used is 2% for mature economies in Europe.

At year-end 2024, an impairment test was performed for each of the following five cash-generating units: Alpha Credit, BNP Paribas Leasing Solutions, Arval, Wealth Management Luxembourg and CPBB. None of these tests demonstrated the need to record an impairment.

Sensitivities

The table below shows the sensitivity of the goodwill valuations to a 10-basis point change in the cost of capital, a 1% change in the cost/income ratio in terminal value, a 5% change of the cost of risk in terminal value and a 50-basis point change in the growth rate to perpetuity. There would be no need to depreciate any goodwill when using any of the unfavourable variations in the table.

	31 December 2024				
In millions of euros	Alpha Credit	BNP Paribas Leasing Solutions	Arval	Wealth Management Luxembourg	CPBB
Cost of capital					
Adverse change (+10 basis points)	(27)	(82)	(229)	(5)	(140)
Positive change (-10 basis points)	28	84	236	5	143
Cost/income ratio					
Adverse change (+1%)	(50)	(100)	(228)	(13)	(294)
Positive change (-1%)	50	100	228	13	294
Cost of risk					
Adverse change (+5%)	(90)	(55)	(37)	-	(49)
Positive change (-5%)	90	55	37	-	49
Long-term growth rate					
Adverse change (-50 basis points)	(55)	(366)	(672)	(10)	(197)
Positive change (+50 basis points)	63	501	777	11	224

4.n Provisions for contingencies and charges

In millions of euros	31 December 2023	Net additions to provisions	Use/ Reversal of provisions	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	31 December 2024
Provisions for employee benefits	3,037	126	(222)	(114)	(8)	2,819
of which post-employment benefits (Note 6.b)	*2,777*	*121*	*(173)*	*(107)*	*(6)*	*2,612*
of which post-employment healthcare benefits (Note 6.b)	*56*	*5*	*(2)*	*(7)*	-	*52*
of which provision for other long-term benefits (Note 6.c)	*68*	*18*	*(16)*	-	*(1)*	*70*
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan (Note 6.d)	*120*	*(30)*	*(29)*	-	*(1)*	*60*
of which provision for share-based payment	*16*	*12*	*(2)*	-	-	*26*
Provisions for home savings accounts and plans	-	-	-	-	-	-
Provisions for credit commitments	246	-	(1)	-	(56)	189
Provisions for litigation	38	12	(17)	-	(1)	32
Other provisions for contingencies and charges	1,004	111	(526)	-	1	590
Total provisions for contingencies and charges	**4,325**	**249**	**(766)**	**(114)**	**(64)**	**3,630**

The decrease in Other Provisions for contingencies and charges is related to the reversal of provisions in Arval for the uncertainty on the residual value of vehicles.

4.o Offsetting of financial assets and liabilities

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7 aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

'Amounts set off on the balance sheet' have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when and only when, BNP Paribas Fortis has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The amounts offset derive mainly from repurchase agreements traded with clearing houses.

The 'Impacts of Master Netting Agreements and similar agreements' are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

'Financial instruments given or received as collateral' include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding Master Netting Agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in 'Accrued income or expenses' and 'Other assets or liabilities'.

31 December 2024 *In millions of euros*	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss	**16,062**	**(631)**	**15,431**	**(11,043)**	**(867)**	**3,521**
Securities	*1,764*	-	*1,764*	-	-	*1,764*
Loans and repurchase agreements	*3,574*	*(631)*	*2,943*	*(2,234)*	*(707)*	*2*
Derivative financial instruments (including derivatives used for hedging purposes)	*10,724*	-	*10,724*	*(8,809)*	*(160)*	*1,755*
Financial assets at amortised cost	**264,559**	**(541)**	**264,018**	**(12,163)**	**(3,849)**	**248,006**
of which repurchase agreements	*16,564*	*(541)*	*16,023*	*(12,163)*	*(3,849)*	*11*
Accrued income and other assets	**13,450**	**-**	**13,450**	**-**	**(3,130)**	**10,320**
of which guarantee deposits paid	*4,320*	-	*4,320*	-	*(3,130)*	*1,190*
Other assets not subject to offsetting	**86,947**	**-**	**86,947**	**-**	**-**	**86,947**
Total assets	**381,018**	**(1,172)**	**379,846**	**(23,206)**	**(7,846)**	**348,794**

31 December 2024 *In millions of euros*	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss	**26,815**	**(631)**	**26,184**	**(12,792)**	**(6,484)**	**6,908**
Securities	*786*	*-*	*786*	*-*	*-*	*786*
Deposits and repurchase agreements	*8,475*	*(631)*	*7,844*	*(3,983)*	*(3,323)*	*538*
Issued debt securities	*4,170*	*-*	*4,170*	*-*	*-*	*4,170*
Derivative financial instruments (including derivatives used for hedging purposes)	*13,384*	*-*	*13,384*	*(8,809)*	*(3,161)*	*1,414*
Financial liabilities at amortised cost	**276,770**	**(541)**	**276,229**	**(10,414)**	**(8,688)**	**257,127**
of which repurchase agreements	*21,050*	*(541)*	*20,509*	*(10,414)*	*(8,688)*	*1,407*
Accrued expense and other liabilities	**10,518**	**-**	**10,518**	**-**	**(202)**	**10,316**
of which guarantee deposits received	*315*	*-*	*315*	*-*	*(202)*	*113*
Other liabilities not subject to offsetting	**32,108**	**-**	**32,108**	**-**	**-**	**32,108**
Total liabilities	**346,211**	**(1,172)**	**345,039**	**(23,206)**	**(15,374)**	**306,459**

31 December 2023 *In millions of euros*	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss	**15,959**	**(1,122)**	**14,837**	**(10,870)**	**(346)**	**3,621**
Securities	*1,604*	*-*	*1,604*	*-*	*-*	*1,604*
Loans and repurchase agreements	*2,796*	*(1,122)*	*1,674*	*(1,591)*	*(74)*	*9*
Derivative financial instruments (including derivatives used for hedging purposes)	*11,559*	*-*	*11,559*	*(9,279)*	*(272)*	*2,008*
Financial assets at amortised cost	**251,327**	**(401)**	**250,926**	**(12,305)**	**(570)**	**238,051**
of which repurchase agreements	*13,348*	*(400)*	*12,948*	*(12,305)*	*(570)*	*73*
Accrued income and other assets	**13,668**	**-**	**13,668**	**-**	**(1,390)**	**12,278**
of which guarantee deposits paid	*4,898*	*-*	*4,898*	*-*	*(1,390)*	*3,508*
Other assets not subject to offsetting	**94,449**	**-**	**94,449**	**-**	**-**	**94,449**
Total assets	**375,403**	**(1,523)**	**373,880**	**(23,175)**	**(2,306)**	**348,399**

31 December 2023 *In millions of euros*	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss	**30,740**	**(1,122)**	**29,618**	**(13,265)**	**(8,162)**	**8,191**
Securities	*697*	*-*	*697*	*-*	*-*	*697*
Deposits and repurchase agreements	*12,910*	*(1,122)*	*11,788*	*(3,986)*	*(7,651)*	*151*
Issued debt securities	*2,721*	*-*	*2,721*	*-*	*-*	*2,721*
Derivative financial instruments (including derivatives used for hedging purposes)	*14,412*	*-*	*14,412*	*(9,279)*	*(511)*	*4,622*
Financial liabilities at amortised cost	**267,177**	**(401)**	**266,776**	**(9,909)**	**(19,020)**	**237,847**
of which repurchase agreements	*29,705*	*(400)*	*29,305*	*(9,909)*	*(19,020)*	*376*
Accrued expense and other liabilities	**12,251**	**-**	**12,251**	**-**	**(296)**	**11,955**
of which guarantee deposits received	*731*	*-*	*731*	*-*	*(296)*	*435*
Other liabilities not subject to offsetting	**34,056**	**-**	**34,056**	**-**	**-**	**34,056**
Total liabilities	**344,224**	**(1,523)**	**342,701**	**(23,174)**	**(27,478)**	**292,049**

4.p Transfers of financial assets

BNP Paribas Fortis enters into transactions in which it transfers financial assets held on the balance sheet and as a result may either be eligible to derecognise the transferred asset in its entirely or must continue to recognise the transferred asset to the extent of any continuing involvement. More information is included in Note 1. 'Summary of significant accounting policies applied by BNP Paribas Fortis'.

Financial assets that have been transferred but not derecognised by BNP Paribas Fortis are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions, as well as securitised assets. The liabilities associated to securities sold under repurchase agreements consist of debts recognised under the 'Repurchase agreements' heading. The liabilities associated to securitised assets consist of the securitisation notes purchased by third parties.

Securities lending, repurchase agreements and other transactions

In millions of euros	31 December 2024		31 December 2023	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations				
Financial instruments at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	3,690	-	2,449	-
Financial assets at fair value through Other Comprehensive Income	-	-	-	-
Repurchase agreements				
Financial instruments at fair value through profit or loss	77	77	406	406
Financial assets at amortised cost	4,539	4,539	6,922	6,929
Financial assets at fair value through Other Comprehensive Income	1,327	1,327	3,936	3,966
Total	**9,633**	**5,943**	**13,713**	**11,301**

Securitisation transactions partially refinanced by external investors, whose recourse is limited to the transferred assets

In millions of euros	31 December 2024				
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Financial instruments at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	31,961	1,373	31,160	1,378	29,781
Financial assets at fair value through Other Comprehensive Income	-	-	-	-	-
Total	**31,961**	**1,373**	**31,160**	**1,378**	**29,781**

In millions of euros	31 December 2023				
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Financial instruments at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	31,865	1,487	29,197	1,464	27,733
Financial assets at fair value through Other Comprehensive Income	-	-	-	-	-
Total	**31,865**	**1,487**	**29,197**	**1,464**	**27,733**

There have been no significant transfers leading to partial or full derecognition of the financial assets where the bank has a continuing involvement in them.

5 Financing and guarantee commitments

5.a Financing commitments given or received

Contractual value of financing commitments given and received by BNP Paribas Fortis:

In millions of euros	31 December 2024	31 December 2023
Financing commitments given		
- to credit institutions	217	289
- to customers	63,234	59,240
Confirmed financing commitments	*51,555*	*46,948*
Other commitments given to customers	*11,679*	*12,292*
Total financing commitments given	**63 451**	**59 529**
of which Stage 1	*60,160*	*55,396*
of which Stage 2	*3,071*	*3,939*
of which Stage 3	*220*	*194*
Financing commitments received		
- from credit institutions	12,350	11,299
- from customers	914	231
Total financing commitments received	**13 264**	**11 530**

5.b Guarantee commitments given by signature

In millions of euros	31 December 2024	31 December 2023
Guarantee commitments given		
- to credit institutions	5,189	2,419
- to customers	13,121	15,384
Financial guarantees	*9,958*	*12,644*
Other guarantees	*3,163*	*2,740*
Total guarantee commitments given	**18,310**	**17,803**
of which Stage 1	*16,547*	*15,572*
of which Stage 2	*1,561*	*2,093*
of which Stage 3	*202*	*138*

Irrevocable Payment Commitment (IPC)

BNP Paribas Fortis 's annual contribution to the European Union's Single Resolution Fund may be partly in the form of an irrevocable payment commitment (IPC) guaranteed by a cash deposit of the same amount. In the event of the fund being involved in a resolution action, the Single Resolution Board (SRB) shall call part or all of the irrevocable payment commitments.

The IPC is qualified as a contingent liability. A provision is recognised if the probability of a commitment call by the fund exceeds 50%. Based on the risk assessment carried out by the Group BNP Paribas, this probability is estimated to be below this threshold. Consequently, no provision was recognised by BNP Paribas Fortis at 31 December 2024.

The ruling of the European Court of Justice on the BNP Paribas Public Sector case is expected in the first half of 2025. The Group BNP Paribas continues to monitor legal developments and their potential impacts.

IPC amounted to 120 million euros at 31 December 2024 (compared with 120 million euros at 31 December 2023).

Cash provided as collateral is remunerated and recognised as a financial asset at amortised cost within the line "Other debtors and miscellaneous assets" (see note 4.j Accrued income/expense and other assets/liabilities).

5.c Securities commitments

In connexion with the settlement date accounting for securities, commitments representing securities to be delivered or securities to be received are the following:

In millions of euros	31 December 2024	31 December 2023
Securities to be delivered	131	235
Securities to be received	140	284

5.d Other guarantee commitments

Financial instruments given as collateral

In millions of euros	31 December 2024	31 December 2023
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut	11,358	13,628
Used as collateral with central banks	-	*3,191*
Available for refinancing transactions	*11,358*	*10,437*
Securities sold under repurchase agreements	27,406	42,294
Other financial assets pledged as collateral for transactions with credit institutions, financial customers	20,449	21,169

The fair value of the financial instruments given as collateral or transferred under repurchase agreements by BNP Paribas Fortis that the beneficiary is authorised to sell or reuse as collateral amounted to 27,592 million euros at 31 December 2024 (42,366 million euros for the year ending 31 December 2023).

Financial instruments received as collateral

In millions of euros	31 December 2024	31 December 2023
Financial instruments received as collateral (excluding repurchase agreements)	6,322	5,929
of which instruments that BNP Paribas Fortis is authorised to sell and reuse as collateral	*58*	*240*
Securities received under repurchase agreements	19,681	16,280

The fair value of financial instruments received as collateral or under repurchase agreements that BNP Paribas Fortis effectively sold or reused as collateral amounted to 3,804 million euros at 31 December 2024 (compared with 8,728 million euros for the year ending 31 December 2023).

Financial instruments given or received as collateral are mainly measured at fair value.

6 Salaries and employee benefits

6.a Salary and employee benefit expenses

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Fixed and variable remuneration, incentive bonuses and profit-sharing	(2,352)	(2,224)
Employee benefit expense	(638)	(655)
Payroll taxes	(17)	(16)
Total salary and employee benefit expenses	**(3,007)**	**(2,895)**

6.b Post-employment benefits

IAS 19 distinguishes between two categories of plans, each handled differently depending on the risk incurred by the entity. When the entity is committed to pay a fixed amount, stated as a percentage of the beneficiary's annual salary, for example, to an external entity handling payment of the benefits based on the assets available for each plan member, it is described as a defined-contribution plan. Conversely, when the entity's obligation is to manage the financial assets funded through the collection of contributions from employees and to bear the cost of benefits itself or to guarantee the final amount subject to future events, it is described as a defined-benefit plan. The same applies if the entity entrusts management of the collection of premiums and payment of benefits to a separate entity, but retains the risk arising from management of the assets and/or from future changes in the benefits.

Defined-contribution pension plans of BNP Paribas Fortis entities

BNP Paribas Fortis has implemented since several years a wide campaign of converting defined-benefit plans into defined-contribution plans.

Since defined-benefit plans have been closed to new employees in most countries, they are offered the benefit of joining defined contribution pensions plans.

The amount paid into defined-contribution post-employment plans for the year ended 31 December 2024 was 149 million euros, compared with 133 million euros for the year ended 31 December 2023.

The breakdown by major contributors is determined as follows

Contribution amount *In millions of euros*	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Belgium	3	3
France	58	55
Eurozone (except Belgium and France)	28	27
United Kingdom	8	7
Turkey	50	39
Other	2	2
TOTAL	**149**	**133**

Defined-benefit pension plans of BNP Paribas Fortis entities

In Belgium, BNP Paribas Fortis funds a defined benefit plan, based on final salary and number of years of service for its management and employees who joined the bank before its pension plans were harmonised on 1 January 2002. Actuarial liabilities under this scheme are pre-funded at 95% at 31 December 2024 (91% at 31 December 2023) through AG Insurance, in which BNP Paribas Fortis owns a 25% equity interest.

BNP Paribas Fortis senior managers are covered by a top-up pension plan paying a lump sum based on the number of years of service and final salary. This plan is pre-funded at 100% (94% at end 2023) through AXA Belgium and AG Insurance. Since 1 January 2015 this plan is closed for new senior managers. Those are offered a new defined-contribution scheme, which also applies to senior managers already in service at that date who chose to join this new scheme.

In addition, the law requires employers to guarantee a minimum return on assets accumulated under defined-contribution schemes. As a result of this obligation, these plans are accounting wise classified as defined-benefit schemes.

At the end of 2015, a new law introduced new modalities for the calculation of this guaranteed minimum return.

As a consequence, BNP Paribas Fortis measures its Belgian defined-contribution pension schemes according to the 'Projected Unit Credit Method' since 2016.

But, as BNP Paribas Fortis considers that none of these defined-contribution pension schemes have the so-called 'back-end loaded' features as defined under IAS19, BNP Paribas Fortis attributes benefit to period of service under the plan's benefit formula. It is indeed not considered that employee service in later years lead to materially higher level of benefit than in earlier years.

Plan assets and reimbursement rights, under insurance policies under which the insurer guarantees some or all of the benefits payable under the plan, are measured as the present value of the related obligation due by the insurance companies (art.113 IAS19R) as from the end of 2017, except for pension schemes covered by a segregated fund. In the latter case, the fair value of the plan assets/reimbursement rights is equal to the market value of the segregated investments available to cover the obligation.

In Turkey, the pension plan replaces the national pension scheme (these obligations should in the future be transferred to the Turkish State and are measured based on the terms of the transfer) and offers guarantees exceeding the minimal legal requirements. At the end of 2024, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceed the related obligations, but since it is not refundable, this surplus is not recognised as an asset by BNP Paribas Fortis. The funding rate for the scheme as at 31 December 2024 stood at 92% (109% at 31 December 2023).

Obligations under defined-benefit plans

Assets and liabilities recognised on the balance sheet

In millions of euros, at 31 December 2024	Defined-benefit obligation arising from wholly or partially funded plans	Defined-benefit obligation arising from unfunded plans	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights (1)	Effect of asset ceiling	Net obligation	of which asset recognised in the balance sheet for defined-benefit plans	of which net assets of defined-benefit plans	of which fair value of reimbursement rights	of which obligation recognised in the balance sheet for defined-benefit plans
Belgium	2,593	15	2,608	(85)	(2,456)	-	67	(2,457)	(1)	(2,456)	2,524
United Kingdom	133	-	133	(166)	-	-	(33)	(33)	(33)	-	-
Turkey	346	32	378	(347)	-	1	32	32	-	-	32
Others	122	32	154	(102)	(1)	-	51	(5)	(4)	(1)	56
TOTAL	**3,194**	**79**	**3,273**	**(700)**	**(2,457)**	**1**	**117**	**(2,463)**	**(38)**	**(2,457)**	**2,612**

In millions of euros, at 31 December 2023	Defined-benefit obligation arising from wholly or partially funded plans	Defined-benefit obligation arising from unfunded plans	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights (1)	Effect of asset ceiling	Net obligation	of which asset recognised in the balance sheet for defined-benefit plans	of which net assets of defined-benefit plans	of which fair value of reimbursement rights	of which obligation recognised in the balance sheet for defined-benefit plans
Belgium	2,748	-	2,748	(71)	(2,502)	-	175	(2,502)	-	(2,502)	2,677
United Kingdom	144	-	144	(158)	-	-	(14)	(14)	(14)	-	-
Turkey	235	43	278	(258)	-	22	42	-	-	-	42
Others	145	35	180	(126)	(1)	-	53	(5)	(4)	(1)	58
TOTAL	**3,272**	**78**	**3,350**	**(613)**	**(2,503)**	**22**	**256**	**(2,521)**	**(18)**	**(2,503)**	**2,777**

(1) The reimbursement rights are principally found on the balance sheet of the BNP Paribas Fortis' insurance subsidiaries and associated companies - notably AG Insurance with respect to BNP Paribas Fortis' defined-benefit plan - to hedge their commitments to other BNP Paribas Fortis' entities that were transferred to them to cover the post-employment benefits of certain employee categories

Changes in the present value of the defined benefit obligation

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Present value of defined-benefit obligation at start of period	**3,350**	**3,172**
Current service cost	115	109
Interest cost	113	111
Past service costs	-	6
Settlements	1	-
Actuarial (gains)/losses on change in demographic assumptions	(1)	(2)
Actuarial (gains)/losses on change in financial assumptions	(45)	37
Actuarial (gains)/losses on experience gaps	119	310
Actual employee contributions	12	11
Benefits paid directly by the employer	(59)	(50)
Benefits paid from assets/reimbursement rights	(299)	(241)
Exchange rate (gains)/losses on the obligation	(29)	(115)
(Gains)/losses on the obligation related to changes in the consolidation scope	(4)	2
Present value of defined-benefit obligation at end of period	**3,273**	**3,350**

Change in the fair value of plan assets and reimbursement rights

	Plan assets		Reimbursement rights	
In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Fair value of assets at start of period	**613**	**655**	**2,503**	**2,396**
Expected return on assets	28	30	77	84
Settlements	-	-	-	-
Actuarial (gains)/losses on assets	103	45	21	99
Actual employee contributions	1	1	11	10
Employer contributions	21	21	98	131
Benefits paid from assets	(42)	(22)	(257)	(219)
Exchange rate (gains)/losses on assets	(23)	(130)	-	-
Gains/(losses) on assets related to changes in the consolidation scope	(1)	13	2	2
Other	-	-	2	-
Fair value of assets at end of period	**700**	**613**	**2,457**	**2,503**

Components of the cost of defined-benefit plans

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Administration fees	**2**	**1**
Service costs	**116**	**115**
Current service cost	115	109
Past service cost	-	6
Settlements	1	-
Net financial expense	**10**	**9**
Interest cost	113	111
Interest income on plan assets	4	(31)
Interest income on reimbursement rights	(30)	(84)
Return on Asset Limitation	(77)	13
Total recognised in 'Salary and employee benefit expense'	**128**	**125**

Other items recognised directly in equity

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Other items recognised directly in equity	**78**	**(80)**
Actuarial (losses)/gains on plan assets or reimbursement rights	124	144
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	1	2
Actuarial (losses)/gains of financial assumptions on the present value of obligations	45	(37)
Experience (losses)/gains on obligations	(119)	(310)
Variation of the effect of asset limitation	27	121

Main actuarial assumptions used to calculate obligations

In the Eurozone and United Kingdom, BNP Paribas Fortis discounts its obligations using the yields of high quality corporate bonds, with a term consistent with the duration of the obligations.

The ranges of rates used are as follows:

In %	31 December 2024		31 December 2023	
	Discount rate	Compensation increase rate [1]	Discount rate	Compensation increase rate [1]
Eurozone	2.60% - 3.60%	2.10% - 4.10%	3.00% - 3.60%	2.40% - 4.07%
United Kingdom	5.30%	3.60%	4.40% - 4.50%	3.40%
Turkey	30.51%	26.25%	23.13%	18.77%

(1) Including price increases (inflation)

In the Eurozone, the observed weighted average discount rates are as follows : 3.19% at 31 December 2024 for a weighted average duration of 8.58 years, and 3.16% at 31 December 2023 for a weighted average duration of 8.90 years.

The impact of a 100bp change in discount rates on the present value of post-employment benefit obligations is as follows:

Change in the present value of obligations In millions of euros	31 December 2024		31 December 2023	
	Discount rate -100bp	Discount rate +100bp	Discount rate -100bp	Discount rate +100bp
Eurozone	261	(195)	254	(187)
United Kingdom	19	(16)	18	(15)
Turkey	15	(12)	11	(9)

The inflation assumptions used to calculate BNP Paribas Fortis's liabilities are determined locally by currency zone, with the exception of the euro zone for which the assumption is determined centrally.

The average inflation rates weighted by the value of the liabilities are as follows:

- on the euro zone: 2.04% on 31 December 2024 compared to 2.36% on 31 December 2023;
- on the sterling zone: 3.10% on 31 December 2024 compared to 3.00% on 31 December 2023;
- on the Turkish lira zone: 25.25% on 31 December 2024 compared to 17.77% 31 December 2023.

The effect of a 100 bp increase of inflation rates on the value of the post-employment benefit obligation is as follows:

Change in the present value of obligations In millions of euro	Year to 31 Dec. 2024	Year to 31 Dec. 2023
	Inflation rate +100bp	Inflation rate +100bp
Eurozone	130	141
United Kingdom	9	8
Turkey	15	11

The effects of changes in inflation and discount rates presented above are not cumulative.

Actual rate of return on plan assets and reimbursement rights over the period

In % [(1)]	Year to 31 Dec. 2024	31 December 2023
	Range of value (existence of several plans in the same country)	Range of value (existence of several plans in the same country)
Belgium	(9.80%) - 12.42%	(0.18%) - 13.21%
United Kingdom	4.20% - 6.10%	(10.50%) - (8.40%)
Turkey	35.94%	44.92%

(1) Range of value, reflecting the existence of several plans in the same country.

Breakdown of plan assets

In %	31 December 2024						31 December 2023					
	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others
Belgium	8%	48%	20%	1%	0%	23%	8%	47%	19%	1%	2%	23%
United Kingdom	7%	66%	26%	0%	1%	0%	10%	76%	12%	0%	1%	1%
Turkey	0%	73%	0%	18%	8%	1%	0%	68%	0%	6%	21%	5%
Others	11%	38%	22%	4%	1%	24%	6%	31%	20%	5%	1%	37%
BNP Paribas Fortis	**8%**	**51%**	**18%**	**3%**	**1%**	**19%**	**7%**	**50%**	**17%**	**2%**	**4%**	**20%**

BNP Paribas Fortis introduced an asset management governance for assets backing defined-benefit pension plan commitments, the main objectives of which are the management and control of the risks in terms of investment.

It sets out investment principles, in particular, by defining an investment strategy for plan assets, based on financial objectives and financial risk management, to specify the way in which plan assets have to be managed, via financial management servicing contracts.

The investment strategy is based on an assets and liabilities management analysis that should be realised at least every three years for plans with assets in excess of 100 million euros.

Post-employment healthcare benefits

In Belgium, BNP Paribas Fortis has a healthcare plan for retired employees. This plan is closed to new entrants.

The present value of obligations relating to post-employment healthcare benefits stood at 52 million euros at 31 December 2024, compared to 56 million euros at 31 December 2023, implying a decrease of 4 million euros during the year 2024.

The expense for post-employment healthcare benefits amounts to 5 million euros for the year at 31 December 2024, against 3 million euros for the year at 31 December 2023. The increase of the expense via Past Service Cost by 2 million euros is due to the increase of legal pension age in Belgium in 2025.

Other items related to post-employment healthcare and directly accounted for in equity amount to 7 million euros for 31 December 2024, against 7 million euros at 31 December 2023.

6.c Other long-term benefits

BNP Paribas Fortis offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated.

The net provision amounted to 70 million euros at 31 December 2024 (68 million euros at 31 December 2023).

As part of the BNP Paribas Fortis variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks.

Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and BNP Paribas Fortis.

In millions of euros	31 December 2024	31 December 2023
Net provisions for other long-term benefits	**70**	**68**
Asset recognised in the balance sheet under 'Other long-term benefits'	-	-
Obligation recognised in the balance sheet under 'Other long-term benefits'	70	68

6.d Termination benefits

BNP Paribas Fortis has implemented a number of voluntary redundancy plans and headcount adaptation plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for as soon as a bilateral agreement or a bilateral agreement proposal for a particular plan is made. Besides, BNP Paribas Fortis recognises costs related to redundancy plans in a restructuring context as soon as bank formalises a detailed plan which has been notified to the interested parties.

In millions of euros	31 December 2024	31 December 2023
Provision for voluntary departure and early retirement plans, and headcount adaptation plans	60	120

7 Additional information

7.a Contingent liabilities: legal proceedings and arbitration

BNP Paribas Fortis (and its consolidated subsidiaries) is involved as a defendant in various claims, disputes and legal proceedings in Belgium and in a number of foreign jurisdictions, arising in the ordinary course of its banking business, including inter alia in connection with its activities as lender, employer, investor and taxpayer.

BNP Paribas Fortis makes provisions for such matters when, in the opinion of its management and after consulting its legal advisors, it is probable that a payment will have to be made by BNP Paribas Fortis and when the amount can be reasonably estimated.

With respect to certain other claims and legal proceedings against BNP Paribas Fortis (and its consolidated subsidiaries) of which management is aware (and for which, according to the principles outlined above, no provision has been made), the management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, such proceedings are without legal merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss in the BNP Paribas Fortis Consolidated Financial Statements.

Like many other companies in the banking, investment, mutual funds and brokerage sectors, BNP Paribas Fortis (and its consolidated subsidiaries) has received or may receive requests for information from supervisory, governmental or self-regulatory agencies. BNP Paribas Fortis responds to such requests, cooperates with the relevant regulators and other parties and helps to address any issues they might raise.

After the acquisition and merger of ABN AMRO Bank (Luxembourg) S.A. in H2 2018, BNP Paribas Fortis' subsidiary BGL BNP Paribas S.A. integrated ABN AMRO Bank (Luxembourg) S.A.'s custodian operations. In the context of these operations, three funds, for which ABN AMRO Bank (Luxembourg) S.A. acted as custodian , issued BGL BNP Paribas with a court summons. At this stage, no provision has been set aside with respect to these cases, but BGL BNP Paribas has decided to protect its interests by exercising the liability guarantee agreed as part of the acquisition. Moreover, BGL BNP Paribas has decided to wind up these operations and has terminated custodian agreements together with the associated banking relationships.

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7.b Business combinations and loss of control or significant influence

Operations realised in 2024

Merger of bpost bank

As from 19 January 2024 (with a retroactive effect as from the 1 January 2024), bpost bank NV/SA was integrated within BNP Paribas Fortis NV/SA following a legal merger (by absorption) between both entities. The purpose of the merger was to create a large mass retail segment (consisting of bpost bank customers and BNPP Fortis customers), which is serviced primarily through the bpost network and through remote channels allowing the BNPP Fortis branches to focus on the relationship segments in its own (further reduced) branch network.

In order to realize this plan BNP Paribas Fortis has signed with bpost a services agreement in virtue of which the bank services within the bpost branches are branded BNP Paribas Fortis and operated by bpost employees. This merger enables BNP Paribas Fortis to capitalise on the strengths of both parties: on the one hand the proximity and service capabilities of bpost counter personnel and dedicated advisors, and on the other hand the expertise and offer of BNP Paribas Fortis, to the benefit of all retail customers.

Sale of BNP Paribas Factor GmbH

In 2023, the sale by BNP Paribas Fortis Factor NV of its fully consolidated entity BNP Paribas Factor GmbH (having its registered office in Dusseldorf, Germany) to the German branch of BNP Paribas SA was approved by the Executive Committee of BNP Paribas Fortis. Pending legal constraints, the transfer was completed in the first quarter of 2024 (26 February 2024). The rationale behind the sale is that the German branch of BNP Paribas SA was already providing the funding to BNP Paribas Fortis Factor GmbH.

Following the completion of the sale, the assets and liabilities included in the subsidiary, which were at the end of 2023 reclassified and presented in separate line respectively in 'Assets classified as held for sale' and 'Liabilities classified as held for sale', were transferred out of the consolidated balance sheet, leading to a decrease of the total balance sheet of EUR (4) billion.

7.c Minority interests

In millions of euros	Capital and retained earnings	Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	Minority interests
Capital and retained earnings at 31 December 2022	**6,373**	**47**	**(748)**	**5,672**
Other movements	(111)	-	-	(111)
Acquisitions	11	-	-	11
Dividends	(313)	-	-	(313)
Changes in assets and liabilities recognised directly in equity	-	4	56	60
NET INCOME FOR 2023	**447**	**-**	**-**	**447**
Capital and retained earnings at 31 December 2023	**6,407**	**51**	**(692)**	**5,766**
Other movements	46	-	-	46
Acquisitions	-	-	-	-
Dividends	(338)	-	-	(338)
Changes in assets and liabilities recognised directly in equity	-	17	192	209
NET INCOME FOR 2024	**367**	**-**	**-**	**367**
Capital and retained earnings at 31 December 2024	**6,481**	**68**	**(500)**	**6,050**

Main minority interests

The assessment of the material nature of minority interests is based on the contribution of the subsidiaries to the BNP Paribas Fortis' balance sheet (before elimination of intra-group transactions) and to the BNP Paribas Fortis' result.

	31 December 2024	Year to 31 Dec. 2024						
In millions of euros	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas Group	63,048	1,936	641	663	50%	403	430	318
Other minority interests						(36)	146	20
TOTAL						**367**	**576**	**338**

	31 December 2023	Year to 31 Dec. 2023						
In millions of euros	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas Group	63,241	1,839	727	796	50%	438	487	282
Other minority interests						9	20	31
TOTAL						**447**	**507**	**313**

Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries

No significant internal restructuring operation occurred during 2024, nor during 2023.

Commitments to repurchase minority shareholders' interests

In connection with the acquisition of certain entities, BNP Paribas Fortis granted minority shareholders put options on their holdings.

The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to 145 million euros at 31 December 2024, compared with 214 million euros at 31 December 2023.

7.d Discontinued activities

The assets and liabilities classified as held-for-sale at 31 December 2023 relate to the sale by BNP Paribas Fortis Factor NV of its fully consolidated entity BNP Paribas Factor GmbH to the German branch of BNP Paribas SA. This sale has been approved by the Executive Committee of BNP Paribas Fortis. The transfer was completed in the first quarter of 2024 (26 February 2024).

BNP Paribas Factor GmbH qualified in 2023 as a disposal group as defined in IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. The assets and liabilities included in the subsidiary are reclassified and presented in separate line respectively in 'Assets classified as held for sale' and 'Liabilities classified as held for sale' in the consolidated balance sheet.

A disposal group shall be measured at the lower of its carrying amount and fair value less costs to sell. If the fair value less costs to sell is lower than the carrying amount, the expected loss is recognised under 'Net gain or loss on non-current assets'. For this specific disposal group, the fair value is lower than the carrying amount, which means that the expected loss of 7 million euros was recognised in the consolidated financial statements as at 31 December 2023.

As required by IFRS 5 related to groups of assets and liabilities held for sale, BNP Paribas Fortis' consolidated financial statements are are adapted to BNP Paribas Fortis Factor NV is present separately since 31 December 2023 :

- the assets are reclassified on a separate line of the balance sheet 'Assets held for sale';
- the liabilities are also reclassified in a separate line 'Liabilities associated with assets held for sale';
- in cash and cash equivalents is isolated in the cash flow statement.

In millions of euros	31 December 2024	31 December 2023
ASSETS		
Financial assets at amortised cost	-	4,025
Accrued income and other assets	-	2
Property, plant and equipment	-	2
TOTAL ASSETS	**-**	4,029
LIABILITIES		
Financial liabilities at amortised cost	-	3,971
Current and deferred tax liabilities	-	26
Accrued expenses and other liabilities	-	14
TOTAL LIABILITIES	**-**	4,011

7.e Significant restrictions in subsidiaries, associates and joint ventures

Significant restrictions relating to the ability of entities to transfer cash to BNP Paribas Fortis

The ability of entities to pay dividends or to repay loans and advances depends, inter alia, on local regulatory requirements for capitalisation and legal reserves, as well as the entities' financial and operating performance. During 2024 no BNP Paribas Fortis Group entities were subject to significant restrictions other than those related to regulatory requirements.

Significant restrictions relating to BNP Paribas Fortis' ability to use the assets lodged in consolidated structured entities

Access to the assets of consolidated structured entities in which third-party investors (other than BNP Paribas Group entities) have invested is limited in as much as these entities' assets are reserved for the holders of units or securities.

At the end of 31 December 2024 and 2023 respectively, the involved assets were immaterial.

Significant restrictions relating to BNP Paribas Fortis' ability to use assets pledged as collateral or under repurchase agreements

The financial instruments pledged by BNP Paribas Fortis as collateral or under repurchase agreements are reported in Note 4.p and 5.d.

Significant restrictions relating to liquidity reserves

Significant restrictions related to liquidity reserves correspond to the mandatory deposits placed with central banks presented in Chapter 'Risk management and capital adequacy - Liquidity and refinancing risk'.

7.f Structured entities

BNP Paribas Fortis considers that it has sponsored a structured entity when it has been involved in its design.

BNP Paribas Fortis is engaged in transactions with sponsored structured entities primarily through its activities of securitisation of financial assets as either the originator or the sponsor, fund management and specialised asset financing.

In addition, BNP Paribas Fortis is also engaged in transactions with structured entities that it has not sponsored, notably in the form of investments in funds or securitisation vehicles.

The method for assessing control of structured entities is detailed in Note 1.c.2 'Consolidation methods'.

Consolidated structured entities

The main category of consolidated structured entities is:

Proprietary securitisation: proprietary securitisation positions originated and held by BNP Paribas Fortis.

Unconsolidated structured entities

BNP Paribas Fortis has entered into relations with unconsolidated structured entities in the course of its business activities in order to meet the needs of its customers.

Information relating to interests in sponsored structured entities

The main categories of unconsolidated sponsored structured entities are as follows:

Securitisation: BNP Paribas Fortis structures securitisation vehicles for the purposes of offering customers financing solutions for their assets, either directly or through consolidated ABCP conduits. Each vehicle finances the purchase of customers' assets (receivables, bonds, etc.) primarily by issuing bonds backed by these assets, whose redemption is linked to their performance.

Funds: BNP Paribas Fortis structures and manages funds in order to offer investment opportunities to its customers. Dedicated or public funds are offered to institutional and individual customers, and are distributed and commercially monitored by BNP Paribas Fortis.

The BNP Paribas Fortis entities responsible for managing these funds may receive management fees and performance commission. Moreover, BNP Paribas Fortis may hold units in these funds.

Asset financing: BNP Paribas Fortis finances structured entities that acquire assets (ships, export finance etc.) intended for lease, and the lease payments received by the structured entity are used to repay the financing, which is guaranteed by the asset held by the structured entity.

Other: On behalf of its customers, BNP Paribas Fortis may also structure entities which invest in assets or are involved in debt restructuring.

An interest in an unconsolidated structured entity is a contractual or non-contractual link that exposes BNP Paribas Fortis to variable returns from the performance of the entity.

BNP Paribas Fortis' assets and liabilities relating to the interests held in sponsored structured entities are as follows:

Interests on BNP Paribas Fortis balance sheet *In millions of euros*	31 December 2024			
	Securitisation	Funds	Others	Total
ASSETS				
Financial instruments at fair value through profit and loss	-	-	-	-
Derivatives used for hedging purposes	-	49	3	52
Financial assets at fair value through Other Comprehensive Income	-	-	-	-
Financial assets at amortised cost	-	-	6	6
Other assets	-	-	-	-
TOTAL ASSETS	**-**	**49**	**9**	**58**
LIABILITIES				
Financial instruments at fair value through profit and loss	-	-	14	14
Derivatives used for hedging purposes	-	-	4	4
Financial liabilities at amortised cost	37	-	206	243
Other liabilities	1	-	-	1
TOTAL LIABILITIES	**38**	**-**	**224**	**262**
FUNDED EXPOSURE	**-**	**49**	**9**	**58**
UNFUNDED EXPOSURE	**-**	**-**	**39**	**39**
Financing commitments	-	-	39	39
Guarantee commitments and derivatives	-	-	-	-
MAXIMUM EXPOSURE TO LOSS	**-**	**49**	**48**	**97**
SIZE OF STRUCTURED ENTITIES (1)	**29**	**10**	**549**	**588**

Interests on BNP Paribas Fortis balance sheet *In millions of euros*	31 December 2023			
	Securitisation	Funds	Others	Total
ASSETS				
Financial instruments at fair value through profit and loss	-	-	-	-
Derivatives used for hedging purposes	-	57	-	57
Financial assets at fair value through Other Comprehensive Income	-	-	-	-
Financial assets at amortised cost	-	-	7	8
Other assets	-	-	-	-
TOTAL ASSETS	**-**	**57**	**7**	**65**
LIABILITIES				
Financial instruments at fair value through profit and loss	-	-	14	14
Derivatives used for hedging purposes	-	-	-	-
Financial liabilities at amortised cost	89	-	243	332
Other liabilities	2	-	-	2
TOTAL LIABILITIES	**91**	**-**	**257**	**348**
FUNDED EXPOSURE	**-**	**57**	**7**	**65**
UNFUNDED EXPOSURE	**-**	**-**	**39**	**39**
Financing commitments	-	-	39	39
Guarantee commitments and derivatives	-	-	-	-
MAXIMUM EXPOSURE TO LOSS	**-**	**57**	**46**	**104**
SIZE OF STRUCTURED ENTITIES (1)	**88**	**18**	**605**	**711**

(1) The size of sponsored structured entities equals the total assets of the structured entity for securitisation vehicles, the net asset value for funds (excluding management mandates) and the structured entity's total assets or the amount of BNP Paribas Fortis commitment for asset financing and other structures

The BNP Paribas Fortis' maximum exposure to losses on sponsored structured entities is the carrying amount of the assets, excluding, for financial assets at fair value through Other Comprehensive Income, changes in value taken directly to equity, as well as the nominal amount of the financing commitments and guarantee commitments given and the notional amount of credit default swaps (CDS) sold.

Information relating to interests in non-sponsored structured entities

The main interests held by BNP Paribas Fortis when it acts solely as an investor in non-sponsored structured entities are detailed below:

- units in other funds not managed by BNP Paribas Fortis: as part of its trading business, BNP Paribas Fortis invests in structured entities without any involvement in either managing or structuring these entities (investments in mutual funds, securities funds or alternative funds), particularly as economic hedge for structured products sold to customers. BNP Paribas Fortis also invests in minority holdings in support of companies as part of its venture capital business. In 31 December 2024 and 2023 the bank's investments were very limited.
- investments in securitisation vehicles: the investments in securitisation vehicles amounted to 0,4 billion euros as at 31 December 2024 and as at 31 December 2023 respectively. Furthermore, BNP Paribas Fortis also has positions on SPVs that are sponsored by BNP Paribas Group, but not sponsored by BNP Paribas Fortis. These investments were immaterial at 31 December 2024 and 2023.

7.g Compensation and benefits awarded to BNP Paribas Fortis' corporate officers

The remuneration policy for the Board of Directors and Executive Board did not change significantly during 2024.

Remuneration of the Members of the Board of Directors

Remuneration policy with regard to the Members of the Board of Directors

The members of the Board of Directors receive a remuneration based on the principles set out below, as approved by the Ordinary General Shareholders' Meeting of 18 April 2024, during which the Board remuneration to a total of maximum 1.75 million euros per annum was confirmed.

Since January 1st 2018, mandates held by employees of the BNP Paribas Group in a subsidiary of the BNP Paribas Group (whether in France or abroad), are exercised without remuneration.

This rule does not impact the independent non-executive directors of BNP Paribas Fortis SA/NV. The non-executive directors that are BNP Paribas SA employees do not receive any remuneration for their mandates held within BNP Paribas Fortis SA/NV. The executive directors of BNP Paribas Fortis SA/NV, are not entitled to receive any remuneration for their mandates held within subsidiaries of BNP Paribas Group, with the obvious exception for their executive mandate held within BNP Paribas Fortis SA/NV itself. Moreover, there is an exception for the mandates held within BGL BNP Paribas SA.

		2024	**2023**	
Annual fixed salary Chairman Board of Directors	EUR	400,000	400,000	(gross)
Annual fixed salary Board Members	EUR	25,000	25,000	(gross)
Attendance fee Chairman Board of Directors	EUR	4,400	4,400	(gross)
Attendance fee Members Board of Directors	EUR	2,200	2,200	(gross)
Attendance fee Chairman Board Committees	EUR	4,800	4,800	(gross)
Attendance fee Members Board Committees	EUR	2,400	2,400	(gross)

The non-executive members of the Board of Directors do not receive any variable pay, pension plan or insurances, nor any other benefits [1].

[1] *With the exception of the Chairman of the Board of Directors, who receives the use of a company car and mobile phone*

Remuneration for the year

The table below shows the gross Board remuneration paid in 2024 to members of the Board of Directors.

In euros		Fixed fees	Attendance fees board*	Total 2024
Maxime JADOT	Chairman	400,000	122,400	522,400
Michael ANSEEUW	Executive director	25,000	30,800	55,800
Didier BEAUVOIS	Executive director (until 31 October 2024)	20,833	24,200	45,033
Dirk BOOGMANS (until GSM 18 April 2024)	Non-executive director	6,250	16,000	22,250
Antoinette d'ASPREMONT LYNDEN (until GSM 18 April 2024)	Non-executive and independent director	6,250	32,800	39,050
Daniel de CLERCK	Executive director	25,000	28,600	53,600
Laurence de l'Escaille (as from GSM 18 April 2024)	Non-executive director	18,750	71,233	89,983
Wouter DE PLOEY	Non-executive and independent director	25,000	62,200	87,200
Anne LECLERCQ	Non-executive and independent director	25,000	98,000	123,000
Piet VAN AKEN	Executive director	25,000	30,800	55,800
Titia VAN WAEYENBERGE	Non-executive and independent director	25,000	105,400	130,400
Stéphane VERMEIRE	Executive director	25,000	30,800	55,800
Sandra WILIKENS	Executive director	25,000	30,800	55,800
		652,083	**684,033**	**1,336,116**

** This column includes the Board fees for all sub committees of the Board of Directors*

Remuneration of the members of the Executive Board

Remuneration policy regarding the members of the Executive Board

The members of the Executive Board have a self-employed status and receive a Board remuneration based on the same principles as non-executive members of the Board of Directors. In addition, they are rewarded for their function in the Executive Board through the following components: (i) fixed monthly remuneration; (ii) variable annual remuneration based on the achievement of clear performance criteria and risk monitoring linked to collective and individual performance criteria (as mentioned below); (iii) a company insurance plan (pension plan, hospital plan, life insurance and disability benefits); (iv) benefits in kind (the use of a company car, mobile phone, tablet and internet); and (v) the opportunity to obtain share-based long-term incentive payments. Their remuneration is subject to strict regulation under the European Capital Requirements Directive IV ('CRD IV') and the Belgian Banking Law.

The remuneration structure and the policy on the levels of remuneration are determined by the Board of Directors, upon a recommendation of the Remuneration Committee with reference to common practices and market benchmarking for determining appropriate executive management compensation, and with guidance from specialised consultancy firms. The governance relating to this remuneration followed the same principles and processes as last year and it is expected to continue to do so in the coming years.

Performance criteria used to determine variable remuneration

The entire process described hereunder is audited by the Inspection Générale, which is BNP Paribas Fortis' internal audit department.

Individual performance

A self-assessment is prepared by each Executive Board member, which is then submitted to the Chief Executive Officer ("CEO"). Compliance and risk elements are added to this assessment. The CEO subsequently decides on the scoring.

The individual performance aims at attaining personal objectives and managerial performance as assessed by the Board of Directors.

Team performance based on Key Performance Indicators (KPIs)

Collective performance is based on Key Performance Indicators (KPIs), designed to show that the Executive Board is acting as one team. Every year, BNP Paribas Fortis draws up a strategic plan, from which are derived indicators enabling the Executive Board to measure and assess BNP Paribas Fortis' collective performance. The performance criteria measured for each business are: financial results, cost management, risk management/compliance, long term developments, Corporate Social Responsibility, and people management. On a yearly basis, the Executive Board receives a score for its overall collective performance.

The appraisal period during which performance is assessed is January to December of each year. The methods used to assess the performance against targets are both qualitative (customer satisfaction, sound risk governance, Global People Survey results, Team motivation barometer, people management, etc.) and quantitative (net operating profit, gross income, evolution cost of risk, increase in market share, etc.).

Future performance applied to the deferred part of the variable remuneration

The variable part of the remuneration is subject to the deferral principle, whereby the deferred part is conditional on the future performance of BNP Paribas Fortis and on sound risk management.

Remuneration for the year

The table below shows the gross remuneration paid or payable to the members of the Executive Board for the year 2024, including benefits in kind and director's fees.

In euros	2024		2023	
	Chief Executive Officer	Other Members of the Executive Board	Chief Executive Officer	Other Members of the Executive Board
Remuneration				
Fixed	806,250	2,086,583	750,000	2,094,000
Cash part of variable	173,502	445,120	168,128	499,000
Deferred part of variable	141,252	377,880	133,192	341,000
Multi-annual variable compensation (1)	119,000	246,400	119,000	308,000
Director's fees (2)	55,800	338,193	51,400	339,016
Benefits in Kind (3)	3,945	13,155	4,188	16,804
Pension, life insurance and orphan's pension (4)	204,792	366,144	201,097	330,313
Total	**1,504,541**	**3,873,475**	**1,427,005**	**3,928,133**

(1) In order to fully comply with CRD IV applicable to the credit institutions, the multi-annual variable compensation indicated is the amount related to the performance of the year under review and not the amount allocated during the year under review. As from 2016, in order to comply with the European Banking Authority ("EBA") Guidelines of 21 December 2016, the multi-annual variable compensation is disclosed, taking into account the fair value determined at the time the compensation was granted

(2) In order to comply with article 3:6 of the Code on Companies and associations, the board fees received in the controlled perimeter are included

(3) The members of the Executive Board each have a company car and a mobile phone

(4) For defined contribution plan and defined benefit plan: sum of contributions by BNP Paribas Fortis

Information on Multi-annual variable compensation

Contingent Sustainable and International Scheme ('CSIS') 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024

'**CSIS**' is designed to compensate Material Risk Takers, identified as key employees of BNP Paribas Group, for their performance on terms that are compliant with EU rules, provided that they act in the long-term interests of the BNP Paribas Group. The scheme is intended to support the effective alignment of compensation with prudent risk-taking behavior. In compliance with CRD IV, the CSIS provides for the award of instruments that can be fully written down to adequately reflect the credit quality of the BNP Paribas Group as a going concern.

To this end, payments under the CSIS will be cancelled if, whenever during the Plan duration the BNP Paribas Group's CET1 ratio falls below 7% or if the BNP Paribas Group enters into a resolution procedure.

In addition, in order to reflect the BNP Paribas Group ambition to grow while acting with environmental, economic and social responsibility, the BNP Paribas Group has also decided:

- to make:
  - 85% of the CSIS Award subject to a condition based on the operating performance of the BNP Paribas Group ('Group Performance Indicator – GPI');
  - 15% of the CSIS Award subject to a condition based on the Corporate Social Responsibility ('CSR') performance, as it is considered essential that the BNP Paribas Group acts at all levels, and in a significant way, to promote greater environmental, economic and social responsibility; and
- to condition any payment under the scheme to the BNP Paribas Group Pre-Tax Income being positive.

The CSIS Award is a cash amount denominated in local currency (the 'Notional Instrument Amount') bearing an interest rate (the 'Interest Amount').

For 2018 the Vesting Period started on 1 January 2019 and ends on 1 January 2024. There is a retention period of 6 months between 1 January 2024 and 30 June 2024. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2024 to 30 June 2024. The annual interest rate is equal to 2.09%.

For 2019 the Vesting Period started on 1 January 2020 and ends on 1 January 2025. There is a retention period of 6 months between 1 January 2025 and 30 June 2025. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2025 to 30 June 2025. The annual interest rate is equal to 1.1%.

For 2020 the Vesting Period started on 1 January 2021 and ends on 1 January 2026. There is a retention period of 6 months between 1 January 2026 and 30 June 2026. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2026 to 30 June 2026. The annual interest rate is equal to 0.8%.

For 2021 the Vesting Period started on 1 January 2022 and ends on 1 January 2027. There is a retention period of 6 months between 1 January 2027 and 30 June 2027. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2027 to 30 June 2027. The annual interest rate is equal to 1.28%.

For 2022 the Vesting Period started on 1 January 2023 and ends on 1 January 2028. There is a retention period of 6 months between 1 January 2028 and 30 June 2028. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2028 to 30 June 2028. The annual interest rate is equal to 2.9%.

For 2023 the Vesting Period started on 1 January 2024 and ends on 1 January 2029. There is a retention period of 12 months between 1 January 2029 and 31 December 2029. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2028 to 30 December 2028. The annual interest rate is equal to 4.77%.

For the allocation in respect with the performance year 2024 the Vesting Period starts on 1 January 2025 and ends on 1 January 2030. There is a retention period of 12 months between 1 January 2030 and 31 December 2030. The beneficiary is entitled to receive on the Date of Payment an amount of interest calculated from 1 January 2029 to 31 December 2029. The annual interest rate is equal to 4.02%.

Growth Technology Sustainability scheme (GTS)

The Growth, Technology, Sustainability ('GTS') scheme is designed to have selected key employees of the Group associated with BNP Paribas' 2025 strategic plan. This scheme was exceptionally awarded in 2022 and is intended to retain and motivate the Beneficiaries by aligning their interests with the Group's objectives in terms of average annual operational performance over the duration of the strategic plan GTS 2025.

The Award will be paid on June 30th 2026, subject to the respect of personal conditions and of the following performance conditions:

- The payment will be linked to the average annual evolution of the Gross operating income (GOI), excluding SRF (contribution to the Single Resolution Fund) of the BNP Paribas Group over the duration of the strategic plan, i.e. between 2021 and 2025, with the application of a grid from 0% to 100% of the allocated amount.
- The Award will not be paid, and any rights to it will lapse if the BNP Paribas Group Pre-Tax Income for the financial year 2025 is negative.

Information on severance pay

In 2024 no termination benefits were paid to members of the Executive Board.

Relations with key management personnel

At 31 December 2024, total outstanding loans and guarantees granted to the members of the Board of Directors and their close family members, amounted to 3.0 million euros. These loans and guarantees constitute normal transactions, carried out at normal market and/or client conditions.

7.h Other related parties

Other related parties of the BNP Paribas Fortis comprise:

- BNP Paribas (and all its subsidiaries) which has control over BNP Paribas Fortis;
- consolidated companies of BNP Paribas Fortis (including entities consolidated under the equity method);
- and entities managing post-employment benefit plans offered to BNP Paribas Fortis' employees.

Transactions between BNP Paribas Fortis and related parties are carried out on an arm's length basis.

Relations between consolidated companies

A list of companies consolidated by BNP Paribas Fortis is provided in note 7.k 'Scope of consolidation'. Transactions and outstanding balances between fully-consolidated entities of BNP Paribas Fortis are eliminated.

Tables below show transactions carried out with entities consolidated under the equity method and entities of the BNP Paribas Group.

Outstanding balances of related party transactions

In millions of euros	31 December 2024			31 December 2023		
	Entities of the BNP Paribas Group	Joint ventures	Associates	Entities of the BNP Paribas Group	Joint ventures	Associates [1]
ASSETS						
Demand accounts	2,062	-	36	2,153	-	40
Loans	13,889	57	137	15,339	59	221
Securities	24	-	140	38	-	140
Other assets	299	-	100	1,269	-	113
Total assets	**16,274**	**57**	**413**	**18,799**	**59**	**514**
LIABILITIES						
Demand accounts	565	-	434	705	101	545
Other borrowings	59,468	-	482	44,764	-	590
Other liabilities	455	-	33	688	-	23
Total liabilities	**60,488**	**-**	**949**	**46,157**	**101**	**1,158**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS						
Financing commitments given	45	-	15	49	19	55
Guarantee commitments given	5,995	-	80	5,857	7	60
Total	**6,040**	**-**	**95**	**5,906**	**26**	**115**

BNP Paribas Fortis also carries out trading transactions with related parties involving derivatives (swaps, options and forwards,...) and financial instruments (equities, bonds,....).

Related-party profit and loss items

In millions of euros	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
	Entities of the BNP Paribas Group	Joint ventures	Associates	Entities of the BNP Paribas Group	Joint ventures	Associates [1]
Interest income	2,099	6	15	1,702	6	19
Interest expense	(3,704)	-	(35)	(2,626)	(3)	(30)
Commission income	108	-	617	135	-	578
Commission expense	(103)	-	(40)	(124)	-	(23)
Services provided	91	-	46	88	-	46
Services received	(494)	-	(80)	(387)	-	(79)
Lease income	52	-	16	44	-	14
Total	**(1,951)**	**6**	**539**	**(1,168)**	**3**	**525**

BNP Paribas Fortis entities managing certain post-employment benefit plans offered to employees

BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which BNP Paribas Fortis has a 25% equity interest.

7.i Financial instruments by maturity

The table below gives a breakdown of balance sheet items by contractual maturity for single-maturity contracts, and by cash flows for assets with a repayment date. The source of the data in this table is identical to that used to prepare the regulatory liquidity reporting (such as the Liquidity Coverage Ratio or the Net Stable Funding Ratio).

Financial liabilities are mainly classified under the heading 'on demand' given the importance of sight deposits and savings deposits, while financial assets are mostly classified under the heading 'more than one year', as a result of the long maturities of term loans and mortgage loans.

The maturities of the 'trading portfolio' transactions reported under financial assets and liabilities measured at fair value through profit or loss are regarded as 'undetermined' insofar as these instruments are intended to be sold or redeemed before their contractual maturity dates.

The maturities of derivative hedging instruments and the remeasurement adjustment on interest-rate risk hedged portfolios are also deemed to be 'undetermined'.

In millions of euros at 31 December 2024	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and balances at central banks	-	26,538	-	-	-	-	-	26,538
Financial instruments at fair value through profit or loss	8,108	-	809	740	1,160	160	39	11,017
Derivatives used for hedging purposes	4,414	-	-	-	-	-	-	4,414
Remeasurement adjustment on interest-rate risk hedged portfolios	(468)	-	-	-	-	-	-	(468)
Financial assets at fair value through other comprehensive income	170	-	-	104	402	3,423	8,933	13,033
Financial assets at amortised cost	-	8,479	16,648	16,579	35,202	98,531	88,578	264,018
Financial assets by maturity	**12,224**	**35,017**	**17,457**	**17,423**	**36,764**	**102,114**	**97,550**	**318,552**
Deposits from central banks	-	2,020	-	-	-	-	-	2,020
Financial instruments at fair value through profit or loss	6,852	-	6,794	290	2,223	2,624	84	18,866
Derivatives used for hedging purposes	7,318	-	-	-	-	-	-	7,318
Remeasurement adjustment on interest-rate risk hedged portfolios	(2,996)	-	-	-	-	-	-	(2,996)
Financial liabilities at amortised cost	-	168,912	26,265	28,292	29,460	36,559	14,445	303,933
Financial liabilities by maturity*	**11,174**	**170,932**	**33,059**	**28,582**	**31,683**	**39,183**	**14,529**	**329,141**

**The disclosure contains the information with regard to Arval since Arval entities are fully consolidated as of 2024 in the prudential scope.*

In millions of euros at 31 December 2023	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and balances at central banks	-	38,467	-	-	-	-	-	38,467
Financial instruments at fair value through profit or loss	7,752	-	1,101	126	326	83	31	9,419
Derivatives used for hedging purposes	5,418	-	-	-	-	-	-	5,418
Remeasurement adjustment on interest-rate risk hedged portfolios	(804)	-	-	-	-	-	-	(804)
Financial assets at fair value through other comprehensive income	149	35	225	20	146	2,486	7,741	10,802
Financial assets at amortised cost	-	7,791	11,402	14,733	30,281	96,317	85,790	246,314
Financial assets by maturity	**12,515**	**46,293**	**12,728**	**14,879**	**30,753**	**98,886**	**93,562**	**309,616**
Deposits from central banks	-	1,971	-	-	-	-	-	1,971
Financial instruments at fair value through profit or loss	6,835	-	10,630	527	767	2,491	97	21,347
Derivatives used for hedging purposes	8,271	-	-	-	-	-	-	8,271
Remeasurement adjustment on interest-rate risk hedged portfolios	(3,895)	-	-	-	-	-	-	(3,895)
Financial liabilities at amortised cost	-	160,733	26,046	32,555	34,918	15,185	960	270,397
Financial liabilities by maturity*	**11,211**	**162,704**	**36,676**	**33,082**	**35,685**	**17,676**	**1,057**	**298,091**

**The disclosure does not contain information with regard to Arval where the external funding of this activity amounts to 22.4 billion euros, for which the biggest part arrives at maturity within 1 to 5 years, the remaining funding being within 1 year.*

7.j Fair value of financial instruments carried at amortised cost

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- these fair values are an estimate of the value of the relevant instruments as of 31 December 2024. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas Fortis as a going concern;
- most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- the fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of BNP Paribas Fortis.

31 December 2024 *In millions of euros*	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers [1]	-	23,896	199,162	223,058	225,318
Debt securities at amortised cost (note 4.e)	13,451	249	204	13,904	15,283
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers	-	276,222	-	276,222	276,229
Debt securities (note 4.h)	-	20,822	-	20,822	20,758
Subordinated debt (note 4.h)	-	6,930	-	6,930	6,946

31 December 2023 *In millions of euros*	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers [1]	-	21,712	189,027	210,739	215,958
Debt securities at amortised cost (note 4.e)	10,940	694	86	11,720	12,507
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers	-	266,966	-	266,966	266,776
Debt securities (note 4.h)	-	23,889	-	23,889	23,801
Subordinated debt (note 4.h)	-	2,235	-	2,235	2,235

(1) Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas Fortis ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the bank. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and debt securities at amortised cost, or specific valuation models for other financial instruments as described in note 1. 'Summary of significant accounting policies applied by BNP Paribas Fortis'. The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.g.9). In the case of loans, liabilities and debt securities at amortised cost that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to the carrying amount. These instruments have been classified in Level 2, except for loans to customers which are classified in Level 3.

7.k Scope of consolidation

Name	Country	31 December 2024 Method	Voting (%)	Interest (%)	Ref.	31 December 2023 Method	Voting (%)	Interest (%)	Ref.
Consolidating company									
BNP Paribas Fortis	Belgium								
Belgium									
AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
Alpha Credit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Arval Belgium NV SA	Belgium	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
Axepta BNPP Benelux	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Bancontact Payconiq Company	Belgium	Equity	22.5%	22.5%		Equity	22.5%	22.5%	
Batopin	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
Belgian Mobile ID	Belgium	Equity	12.2%	12.2%		Equity	12.2%	12.2%	
BNP Paribas 3 Step IT (Belgium Branch)	Belgium	Full	100.0%	12.8%		Full	100.0%	12.8%	
BNP Paribas Fortis Factor NV SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNP Paribas Fortis Private Equity Belgium NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNP Paribas Fortis Private Equity Expansion	Belgium				S3	Full	100.0%	99.9%	
BNP Paribas Fortis Private Equity Management	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNP Paribas Lease Group Belgium	Belgium	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNPP Fortis Film Finance	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
bpost bank	Belgium				S4	Full	100.0%	100.0%	
CNH Industrial Capital Europe Belgium Branch	Belgium	Full	100.0%	12.5%		Full	100.0%	12.5%	
Credissimo	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Credissimo Hainaut SA	Belgium	Full	99.7%	99.7%		Full	99.7%	99.7%	
Crédit pour Habitations Sociales	Belgium	Full	81.7%	81.7%		Full	81.7%	81.7%	
BNP Paribas Fortis Credit Broker (ex Demetris NV)	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
Eos Aremas Belgium S.A./N.V.	Belgium	Equity	49.9%	49.9%		Equity	49.9%	49.9%	
Es-Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Fortis Lease Belgium	Belgium	Full	100.0%	25.0%		Full	100.0%	25,0%	
FScholen	Belgium	Equity 1	50.0%	50.0%		Equity 1	50.0%	50.0%	
Immobilière Sauvenière S.A.	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	

New entries (E) in the scope of consolidation

- **E1** Passing qualifying thresholds
- **E2** Incorporation
- **E3** Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- **S1** Cessation of activity (including dissolution, liquidation)
- **S2** Disposal, loss of control or loss of significant influence
- **S3** Entities removed from the scope because < qualifying thresholds
- **S4** Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- **V1** Additional purchase
- **V2** Partial disposal
- **V3** Dilution
- **V4** Increase in %

Miscellaneous

- **D1** Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

- **1** Jointly controlled entities under proportional consolidation for prudential purposes.
- **2** Entities consolidated under the equity method in the prudential scope.
- **Full** Full consolidation
- **Equity** Equity Method
- **FV** Investment in associates measured at Fair Value through P&L
- **(s)** Structured entities

		31 December 2024				31 December 2023			
Name	**Country**	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Private Equity Investments (a)	BE/FR/LU	FV				FV			
Isabel SA NV	Belgium	Equity	25.3%	25.3%		Equity	25.3%	25.3%	
Locadif	Belgium	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
Microstart	Belgium	Full	42.3%	77.5%		Full	42.3%	76.8%	
Sowo Invest SA NV	Belgium	Full	87.5%	87.5%		Full	87.5%	87.5%	
Terberg Leasing Justlease Belgium BV	Belgium	Full	99.9%	100.0%		Full 2	99.9%	100.0%	
Belgium - Special Purpose Entities									
Bass Master Issuer NV	Belgium	Full				Full			
Esmée Master Issuer	Belgium	Full				Full			
FL Zeebrugge	Belgium	Full				Full			
Belgium - Structured Entities									
Epimede	Belgium	Equity				Equity			
Luxembourg									
Arval Luxembourg SA	Luxembourg	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
BGL BNP Paribas	Luxembourg	Full	50.0%	50.0%		Full	50.0%	50.0%	
BNP Paribas Fortis Funding S.A.	Luxembourg	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNP Paribas Lease Group Luxembourg S.A.	Luxembourg	Full	100.0%	50.0%		Full	100.0%	50.0%	
BNP Paribas Leasing Solutions	Luxembourg	Full	50.0%	25.0%		Full	50.0%	25.0%	
Cardif Lux Vie	Luxembourg	Equity	33.3%	16.7%		Equity	33.3%	16.7%	
Cofhylux S.A.	Luxembourg								S4
Luxhub SA	Luxembourg	Equity	28.0%	14.0%		Equity	28.0%	14.0%	
Visalux	Luxembourg	Equity	25.3%	12.6%		Equity	25.3%	12.6%	
Volantis SARL	Luxembourg	Full	95.2%	47.6%	E1				
Rest of the world									
Aprolis Finance	France	Full	51.0%	12.8%		Full	51.0%	12.8%	
Artegy	France	Full	100.0%	25.0%		Full	100.0%	25.0%	
Artel	France				S4	Full 2	100.0%	99.9%	
Arval AB	Sweden	Full	100.0%	99.9%		Full 2	100.0%	99.9%	

(a) At 31 December 2024, 13 Private Equity investment entities versus 14 Private entities at 31 December 2023.

New entries (E) in the scope of consolidation

E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

S1 Cessation of activity (including dissolution, liquidation)
S2 Disposal, loss of control or loss of significant influence
S3 Entities removed from the scope because < qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Miscellaneous

D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

1 Jointly controlled entities under proportional consolidation for prudential purposes.
2 Entities consolidated under the equity method in the prudential scope.
Full Full consolidation
Equity Equity Method
FV Investment in associates measured at Fair Value through P&L
(s) Structured entities

Name	Country	31 December 2024 Method		Voting (%)	Interest (%)	Ref.	31 December 2023 Method		Voting (%)	Interest (%)	Ref.
Arval AS	Denmark	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval AS Norway	Norway	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Austria GmbH	Austria	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Brasil LTDA	Brazil	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval BV	The Netherlands	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval CZ SRO	Czech Republic	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Deutschland GmbH	Germany	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Fleet Services	France	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Hellas Car Rental SA	Greece	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval LLC	Russia	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Magyarorszag KFT	Hungary	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Maroc SA	Morocco	Full		66.7%	66.7%		Full	2	66.7%	66.7%	
Arval Oy	Finland	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Relsa SPA	Chile	Full		100.0%	99.9%		Full	2	100.0%	99.9%	V1
Arval Relsa Colombia SAS	Colombia	Full		100.0%	99.9%		Full	2	100.0%	99.9%	V1
Arval Schweiz AG	Switzerland	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Service Lease	France	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Service Lease Italia SPA	Italy	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Service Lease Polska SP ZOO	Poland	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Service Lease Romania SRL	Romania	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Service Lease SA	Spain	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Slovakia SRO	Slovakia	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval Trading	France	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval UK Group Ltd	United Kingdom	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval UK Leasing Services Ltd	United Kingdom	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Arval UK Ltd	United Kingdom	Full		100.0%	99.9%		Full	2	100.0%	99.9%	
Bantas Nakit AS	Türkiye	Equity	1	33.3%	16.7%		Equity	1	33.3%	16.7%	
BGL BNP Paribas S.A. (Germany Branch)	Germany	Full		100.0%	50.0%		Full		100.0%	50.0%	
BNL Leasing SPA	Italy	Equity		26.2%	6.5%		Equity		26.2%	6.5%	
BNP Paribas 3 STEP IT	France	Full		51.0%	12.8%		Full		51.0%	12.8%	
BNP Paribas 3 Step IT (Germany Branch)	Germany	Full		100.0%	12.8%		Full		100.0%	12.8%	
BNP Paribas 3 Step IT (Italy Branch)	Italy	Full		100.0%	12.8%		Full		100.0%	12.8%	

New entries (E) in the scope of consolidation

- **E1** Passing qualifying thresholds
- **E2** Incorporation
- **E3** Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- **S1** Cessation of activity (including dissolution, liquidation)
- **S2** Disposal, loss of control or loss of significant influence
- **S3** Entities removed from the scope because < qualifying thresholds
- **S4** Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- **V1** Additional purchase
- **V2** Partial disposal
- **V3** Dilution
- **V4** Increase in %

Miscellaneous

- **D1** Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

- **1** Jointly controlled entities under proportional consolidation for prudential purposes.
- **2** Entities consolidated under the equity method in the prudential scope.
- **Full** Full consolidation
- **Equity** Equity Method
- **FV** Investment in associates measured at Fair Value through P&L
- **(s)** Structured entities

Name	Country	31 December 2024				31 December 2023			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas 3 Step IT (Netherlands Branch)	The Netherlands	Full	100.0%	12.8%		Full	100.0%	12.8%	
BNP Paribas 3 Step IT (Spain Branch)	Spain	Full	100.0%	12.8%		Full	100.0%	12.8%	E2
BNP Paribas3 Step It (United kingdom Branch)	United Kingdom	Full	100.0%	12.8%		Full	100.0%	12.8%	
BNP Paribas Commercial Finance Limited	United Kingdom	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNP Paribas Factor AS	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNP Paribas Factor Gmbh	Germany	Full			S2	Full	100.0%	99.9%	
BNP Paribas Finansal Kiralama A.S.	Türkiye	Full	100.0%	26.1%		Full	100.0%	26.1%	
BNP Paribas Fortis (Spain branch)	Spain	Full			S1	Full	100.0%	100.0%	
BNP Paribas Fortis (U.S.A branch)	United States	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNP Paribas Fortis Yatirimlar Holding AS	Türkiye	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNP Paribas Lease Group	France	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Leasing Solutions IFN S.A.	Romania	Full	99.9%	24.9%		Full	99.9%	24.9%	
BNP Paribas Lease Group Leasing Solutions S.P.A.	Italy	Equity	26.2%	6.5%		Equity	26.2%	6.5%	
BNP Paribas Lease Group Milan Branch	Italy	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Lease Group PLC	United Kingdom	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Lease Group (Germany Branch)	Germany	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Lease Group Sa (Portugal Branch)	Portugal	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Lease Group Sa (Spain Branch)	Spain	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Lease Group Sp. Z.O.O	Poland	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Leasing Solutions Ltd.	United Kingdom	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Leasing Solutions A.S	Denmark	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Leasing Solutions N.V.	The Netherlands	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNP Paribas Leasing Solutions Suisse SA	Switzerland	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNPP Asset Management Holding	France	Equity	33.3%	30.9%		Equity	33.3%	30.9%	
BNPP Bank Polska SA	Poland	Equity	24.0%	24.0%		Equity	24.0%	24.0%	V3
BNPP Factoring Support	The Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fleet Holdings Ltd	United Kingdom	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
BNPP Leasing Solution AS	Norway	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNPP Leasing Solutions AB	Sweden	Full	100.0%	25.0%		Full	100.0%	25.0%	
BNPP Leasing Solutions GmbH (Ex - All In One Vermietung GmbH)	Austria	Full	100.0%	25.0%		Full	100.0%	25.0%	

New entries (E) in the scope of consolidation

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E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

S1 Cessation of activity (including dissolution, liquidation)
S2 Disposal, loss of control or loss of significant influence
S3 Entities removed from the scope because < qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Miscellaneous

D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

1 Jointly controlled entities under proportional consolidation for prudential purposes.
2 Entities consolidated under the equity method in the prudential scope.
Full Full consolidation
Equity Equity Method
FV Investment in associates measured at Fair Value through P&L
(s) Structured entities

		31 December 2024				31 December 2023			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Rental Solutions Ltd	United Kingdom								S3
BNPP Rental Solutions SPA	Italy	Full	100.0%	25.0%		Full	100.0%	25.0%	
Claas Financial Services	France	Full	51.0%	12.8%		Full	51.0%	12.8%	
Claas Financial Services (Germany Branch)	Germany	Full	100.0%	12.8%		Full	100.0%	12.8%	
Claas Financial Services (Italy Branch)	Italy	Full	100.0%	12.8%		Full	100.0%	12.8%	
Claas Financial Services Ltd	United Kingdom	Full	51.0%	12.8%		Full	51.0%	12.8%	
Claas Financial Services (Poland Branch).	Poland	Full	100.0%	12.8%		Full	100.0%	12.8%	
Claas Financial Services (Spain Branch)	Spain	Full	100.0%	12.8%		Full	100.0%	12.8%	
Cent ASL	France	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
CNH Industrial Capital Europe Gmbh	Austria	Full	100.0%	12.5%		Full	100.0%	12.5%	
CNH Industrial Capital Europe	France	Full	50.1%	12.5%		Full	50.1%	12.5%	
CNH Industrial Capital Europe BV	The Netherlands	Full	100.0%	12.5%		Full	100.0%	12.5%	
CNH Industrial Capital Europe (Italy Branch)	Italy	Full	100.0%	12.5%		Full	100.0%	12.5%	
CNH Industrial Capital Europe Ltd	United Kingdom	Full	100.0%	12.5%		Full	100.0%	12.5%	
CNH Industrial Capital Europe (Poland Branch)	Poland	Full	100.0%	12.5%		Full	100.0%	12.5%	
CNH Industrial Capital Europe (Germany Branch)	Germany	Full	100.0%	12.5%		Full	100.0%	12.5%	
CNH Industrial Capital Europe (Spain Branch)	Spain	Full	100.0%	12.5%		Full	100.0%	12.5%	
Cofiparc	France	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
Comercializadora de Vehiculos SA	Chile	Full	100.0%	99.9%		Full 2	100.0%	99.9%	V1
Creation Consumer Finance Ltd	United Kingdom	Full	100.0%	99.9%		Full	100.0%	99.9%	E3
Creation Financial Services Ltd	United Kingdom	Full	100.0%	99.9%		Full	100.0%	99.9%	E3
FCT Pulse France 2022	France	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
Fortis Lease	France	Full	100.0%	25.0%		Full	100.0%	25.0%	
Fortis Lease Deutschland Gmbh	Germany								S3
Fortis Lease Iberia SA	Spain								S1
Fortis Lease Portugal	Portugal								S1
Fortis Lease Uk Ltd	United Kingdom	Full	100.0%	25.0%		Full	100.0%	25.0%	
Fortis Vastgoedlease B.V.	The Netherlands				S3	Full	100.0%	25.0%	
Greenval Insurance DAC	Ireland	Full 2	100.0%	99.9%		Full 2	100.0%	99.9%	
Heffiq Heftruck Verhuur BV	The Netherlands	Full	50.1%	12.5%		Full	50.1%	12.5%	
JCB Finance	France	Full	100.0%	12.5%		Full	100.0%	12.5%	

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Full Full consolidation
Equity Equity Method
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(s) Structured entities

Name	Country	31 December 2024 Method	Voting (%)	Interest (%)	Ref.	31 December 2023 Method	Voting (%)	Interest (%)	Ref.
JCB Finance Holdings Ltd	United Kingdom	Full	50.1%	12.5%		Full	50.1%	12.5%	
JCB Finance (Italy Branch)	Italy	Full	100.0%	12.5%		Full	100.0%	12.5%	
JCB Finance (Germany Branch)	Germany	Full	100.0%	12.5%		Full	100.0%	12.5%	
JFL BNP Paribas Agriculture And Technology Financial Leasing Co Ltd	China	Equity	100%	99.9%	E2				
Louveo	France	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
Manitou Finance Ltd.	United Kingdom	Full	51.0%	12.8%		Full	51.0%	12.8%	
MGF	France	Full	51.0%	12.8%		Full	51.0%	12.8%	
MGF (Germany Branch)	Germany	Full	100.0%	12.8%		Full	100.0%	12.8%	
MGF (Italy Branch)	Italy	Full	100.0%	12.8%		Full	100.0%	12.8%	
Personal Car Lease BV	The Netherlands								S4
Public Location Longue Durée	France	Full	100.0%	99.9%		Full 2	100.0%	99.9%	
Pulse UK 2024 PLC	United Kingdom	Full	100.0%	99.9%	E1				
Rentaequipos Leasing SA	Chile	Full	100.0%	99.9%		Full 2	100.0%	99.9%	V1
Rentaequipos Leasing Peru SA	Peru	Full	100.0%	99.9%		Full 2	100.0%	99.9%	V1
Same Deutz Fahr Finance	France	Full	100.0%	25.0%		Full	100.0%	25.0%	
TEB Arval Arac Filo Kiralama A.S.	Türkiye	Full	100.0%	74.9%		Full 2	100.0%	74.9%	
TEB ARF Teknoloji Anonim Sirketi	Türkiye	Full	100.0%	48.7%		Full	100.0%	48.7%	
TEB Faktoring A.S.	Türkiye	Full	100.0%	48.7%		Full	100.0%	48.7%	
TEB Finansman AS	Türkiye	Full	100.0%	48.7%		Full	100.0%	48.7%	E3
TEB Holding A.S.	Türkiye	Full	50.0%	49.9%		Full	50.0%	49.9%	
TEB SH A	Serbia	Full	100.0%	49.9%		Full	100.0%	49.9%	
TEB YATIRIM MENKUL DEGERLER A.S.	Türkiye	Full	100.0%	48.7%		Full	100.0%	48.7%	
Terberg Business Lease Group BV	The Netherlands	Full				Full			S4
Turk Ekonomi Bankasi A.S.	Türkiye	Full	76.2%	48.7%		Full	76.2%	48.7%	
Rest of the world - Special Purpose Entities									
Pixel 2021	France	Full				Full			

New entries (E) in the scope of consolidation

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7.l Fees paid to the statutory auditors

As of fiscal year 2023, all audit tasks are performed by Deloitte as the bank's sole auditor.
The table below shows the fees paid to the auditors (Deloitte, E&Y and others) of all consolidated entities.

Excluding tax, in thousands of euros	Year to 31 Dec. 2024					
	Deloitte		Others		Total	
	Amount	%	Amount	%	Amount	%
Audit						
Statutory audit engagement	**7,170**	**90%**	**2,399**	**80%**	**9,569**	**87%**
- BNP Paribas Fortis	*1,742*	*22%*	*-*	*0%*	*1,742*	*16%*
- Consolidated subsidiaries	*5,428*	*68%*	*2,399*	*80%*	*7,827*	*71%*
Services other than those required for the statutory audit engagement	**837**	**10%**	**583**	**20%**	**1,420**	**13%**
- BNP Paribas Fortis	*54*	*1%*	*68*	*2%*	*122*	*1%*
- Consolidated subsidiaries	*783*	*9%*	*515*	*18%*	*1,298*	*12%*
TOTAL	**8,007**	**100%**	**2,982**	**100%**	**10,989**	**100%**

Excluding tax, in thousands of euros	Year to 31 Dec. 2023							
	Deloitte		PwC		Others		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Statutory audit engagement	**4,959**	**84%**	**876**	**80%**	**3,024**	**94%**	**8,859**	**87%**
- BNP Paribas Fortis	*1,276*	*22%*	*161*	*15%*	*12*	*0%*	*1,449*	*14%*
- Consolidated subsidiaries	*3,683*	*62%*	*715*	*65%*	*3,012*	*94%*	*7,410*	*72%*
Services other than those required for the statutory audit engagement	**959**	**16%**	**216**	**20%**	**199**	**6%**	**1,374**	**13%**
- BNP Paribas Fortis	*160*	*3%*	*53*	*5%*	*65*	*2%*	*278*	*3%*
- Consolidated subsidiaries	*799*	*14%*	*163*	*15%*	*134*	*4%*	*1,096*	*10%*
TOTAL	**5,918**	**100%**	**1,092**	**100%**	**3,223**	**100%**	**10,233**	**100%**

The fees paid to the various networks of the Statutory Auditor who certifies the Consolidated and Non-consolidated financial statements of BNP Paribas Fortis (Deloitte) amount to EUR 8,007,000 for the year 2024. For the other Statutory Auditors who do not certify the financial statements of BNP Paribas Fortis, the fees amount to EUR 2,981,000.

In 2024, the increase in Deloitte's fees of EUR 457,000 and the decrease of EUR 161,000 in PwC's fees related to the certification of the financial statements is explained by the beginning of the Deloitte's mandate for the certification of the financial statements of BNP Paribas Fortis and the end of the PwC's mandate.

In 2024, the increase in Deloitte's fees for the certification of the financial statements for the consolidated entities is mainly due to the entry of new entities into the consolidation scope and the certification fees for sustainability information (CSRD)

In 2024, the decrease of EUR 242,000 in fees paid to other auditors for the certification of the consolidated financial statements is mainly due to the transfer of these entities by Deloitte within the consolidation scope.

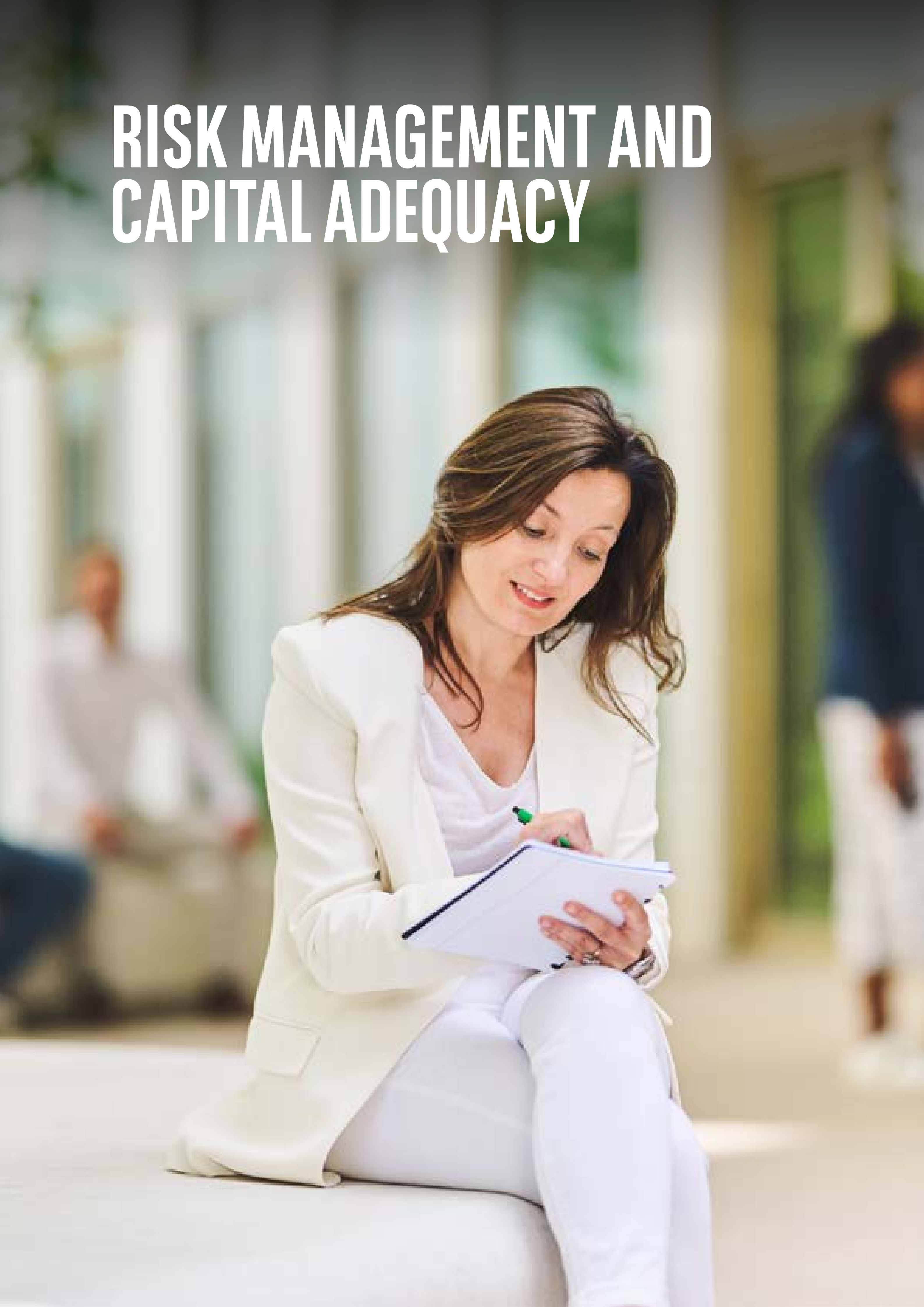
7.m Cash Flow Statement - Detail on investing and financing activities

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net decrease in cash related to acquisitions and disposals of consolidated entities	**157**	**46**
Net increase related to property, plant and equipment and intangible assets	**(357)**	**(74)**
of which acquisitions	(510)	(447)
of which disposals	153	373
Net decrease in cash and equivalents related to investing activities	**(200)**	**(28)**
Net increase in cash and equivalents related to transactions with shareholders	**(183)**	**(3,341)**
of which dividends paid	(3,170)	(3,223)
of which subordinated debts acquisition	3,000	-
of which other	(13)	(118)
Net decrease in cash and equivalents genereated by other financing activities	**4,778**	**6,847**
of which Long term subordinated borrowings repayment	-	(1,030)
of which Long term subordinated securities issuance	4,657	1,000
of which Long term subordinated securities repayment	(19)	(93)
of which bond debt issuance	6,148	4,992
of which bond debt repayment	(6,010)	(570)
of which Non-preferred senior debt issuance	-	2,500
of which other	2	48
Net increase in cash and equivalents related to financing activities	**4,595**	**3,506**

7.n Events after the reporting period

There have been no material events since the balance sheet date that would require adjustments to the Consolidated Financial Statements as at 31 December 2024.

RISK MANAGEMENT AND CAPITAL ADEQUACY



Introduction

The information presented in this chapter reflects the risks carried by BNP Paribas Fortis. It provides a description of BNP Paribas Fortis' risk management organisation and a quantitative and qualitative overview of BNP Paribas Fortis' risk exposure at year-end 2024.

BNP Paribas Fortis' risk measures are presented according to the Basel III principles under the prudential scope of consolidation. These risks, calculated using methods approved by the Belgian banking supervisor, i.e. the National Bank of Belgium (NBB) and the European banking supervisor, i.e. the European Central Bank (ECB), are measured and managed as consistently as possible with the BNP Paribas Group Risk methodologies.

A more detailed picture of BNP Paribas Fortis' risk management and risk exposure according to Pillar 3 requirements is provided in the 'Pillar 3 disclosure'.

Further details on the BNP Paribas Group's approach to the measuring and managing of risks resulting from banking activities can be found in the Universal Registration Document and the BNP Paribas Annual Financial Report 2024.

1 Risk Management Organisation

The key principle of the risk governance is the double walled defence/control. The primary responsibility for risk within BNP Paribas Fortis lies within the territory and more particularly within the businesses, which are responsible for the approval, monitoring and management of the risks arising from their activities, according to the relevant risk policies, processes, procedures and limits (first line of defence/control) and in line with the bank's risk appetite.

The RISK function ("RISK") contributes, as a second pair of eyes, that the risks taken by the bank are compliant and compatible with its policies.

It is responsible for ensuring that the risks taken by the businesses fit the bank's risk tolerance and that they are properly quantified, managed and communicated to the internal and external stakeholders.

On a regular basis, RISK interacts with the other internal control functions (Compliance, Audit and Legal) to coordinate their actions.

Competences and activities:

RISK establishes the risk governance framework, adopts an integrated approach and promotes risk awareness. RISK adopts a holistic risk approach and has a specific focus on credit risk, counterparty risk, operational risk, market risk, interest rate risk and foreign exchange risk in the banking book, funding and liquidity risk, Amongst others, it supervises the credit policy, the risk monitoring policy, the portfolio management, the credit reporting and the credit control.

The RISK function is also in charge of the second line of defence for environmental and social risks as well as for associated governance risks and ensures these matters are embedded in the risk governance of the bank.

In the BNP Paribas Fortis Credit Risk Governance Framework, delegations for credit decisions on behalf of BNP Paribas Fortis have been given by the Executive Board to the chairperson of the Executive Board and to the business Heads, subject to the involvement of a RISK representative. The business Heads will further delegate to Business delegation holders via "Delegation letters". The RISK function will appoint its RISK representatives.

In that respect, a credit decision generally requires the agreement of one relevant Business delegation holder and a representative of RISK with the necessary authority level (4-eyes principles), as set out in the Delegation Letters.

The involvement of RISK in a specific file can however be replaced by defining policies, scores and rating models and overall risk appetite for a client. In full digital decisions, the framework / decision algorithm replaces involvement of both business and RISK.

The Enforcement Process is triggered in all cases where, due to the delegation framework and agreed routing, a BNP Paribas credit committee (held in Paris or elsewhere), not being a joint BNP Paribas/BNP Paribas Fortis Credit Committee, issues a recommendation for transactions to be ultimately decided and booked or to be booked in BNP Paribas Fortis. For the Credit Proposals granted by BNP Paribas Fortis Belgium, it is recommended that the relevant ExBo member is the primary sign-off for Businesses under his responsibility. The Chief Risk Officer has a veto right.

Furthermore, RISK monitors, from an operational risk perspective, all commercial and support functions within BNP Paribas Fortis. Besides this, RISK defines and assesses the existence and the effectiveness of the permanent control framework, in liaison with other functions exercising second level controls. In this perspective, a number of committees have been set up, as follows:

- **Internal Control Committee(s) (ICC)**: The terms of reference of the BNP Paribas Fortis ICC are set out in the 'Terms of reference of the Internal Control Committee'. The key task of the ICC is providing a clear and comprehensive view of the main operational risks, reviewing and validating the operational risk framework and permanent control framework, and deciding upon any operational risk subjects raised. The conclusions of the ICC serve as a basis for the management control statement of BNP Paribas Fortis towards the NBB, in accordance with the NBB Circular Letter 2011_9 of 20 December 2011. In order to be able to fulfil its role and objective, the ICC has a decision making power within its scope. ICC's also exist at the level of the businesses and BNP Paribas Group functions and at the level of the major entities in the governance perimeter.

- **Transaction Approval Committees (TAC):** The role and process requirements of the TAC are set out in the TAC/ NAC Policy, Exceptional transactions are non-recurring, outstanding, often composite or structured transactions, which are not covered by the bank's risk policies or cannot fit in a longstanding and accepted practice, because of significantly unusual or complex features and, hence, cannot be handled through the approval framework. Such transactions must be reviewed and approved through a validation process before they are concluded. The TAC is the decision-making forum in which the business or function approves execution of the transaction or activity considering the opinion of Compliance, RISK, Legal and the relevant functions.
- **New Activity Committee (NAC):** The role and process requirements of the NAC are likewise set out in the TAC/ NAC Policy. A new activity is one that cannot be instigated, monitored or administered within the bank's existing written guidelines, policies, procedures or systems and hence, does not fit in the approval framework. A new activity, a generic term standing also for new products or services, must be validated through a formal validation process before being launched. The NAC is the decision-making forum in which the business or function approves execution of the transaction or activity considering the opinion of Compliance, RISK, Legal, Finance and the relevant functions.
- **Fraud Risk Steering Committee:** The Fraud Risk Steering Committee retains an overview of all preventive and remedial measures regarding fraud, monitors the evolution of the fraud incidents (numbers and losses) and the underlying causes, and where necessary ensures remediation actions are taken and arbitrates on priority setting.

Organisation:

Supervisory Level

In accordance with article 27 of the Banking Law, BNP Paribas Fortis is required to set up a separate Risk Committee to assist the Board of Directors with risk related matters. The Risk Committee shall, upon request of the Board of Directors, assist (and make recommendations to) the Board of Directors in all risk related matters. In addition, several special competences of the Risk Committee are set forth in article 29 of the Banking Law and are listed herewith: (i) risk tolerance, (ii) price setting and (iii) remuneration policy.

Executive Level

Specific delegations of authority have been given by the Executive Board to a number of management committees specifically composed for the handling of risk management. The main risk committees at the executive management level are as follows:

- **Central Credit Committee: (CCC):** The CCC is the highest Credit Committee and is the representative entity of the bank's ExBo on credit and counterparty matters, and more specifically: on credit and counterparty risk exposures originated by all Businesses within the bounds of granted delegations, approved Credit Policies and within the lending limit of the bank: ensuring that the quality of the commitments made correspond to an "acceptable" risk level for the bank, coherent between Businesses and ultimately within its rating, stated risk appetite and risk-reward objectives;
- **Financial Markets Risk Committee: (FMRC):** defines and enforces the market and counterparty credit risk strategy, policies, methods and limits of, but not restricted to, Global Markets but excluding ALM/Treasury;
- **Bank Asset and Liability Committee (ALCo):** manages the liquidity position of the bank and the interest rate risk and foreign exchange risk in the banking book;
- **Risk Policy Committee: (RPC):** provides for the details of the risk strategy and the bank's risk policy and defines and enforces investment and credit policies, methods and thresholds at business/ portfolio/ steering center level; and
- **Committee on Impairments and Provisions (CIP):** together with the Finance department): consolidates provisions and impairments.
- **ISSC:** Information Security Steering Committee steers the implementation of a proper Information Security Management System and enables sound risk decision making to ensure that the organization's Information Assets are adequately protected against information security threats.

Chief Risk Officer (CRO): The RISK function is headed by the Chief Risk Officer. The CRO is appointed by the Board of Directors upon recommendation by the Governance and Nomination Committee and subject to prior approval by the relevant supervisor. S/he is in principle appointed for the duration of his/her term as member of the Executive Board and Board of Directors.

Being responsible for an independent control function, the CRO can abide from his/her function only upon prior approval by the Board of Directors and upon prior notification to the relevant supervisor [1]. The CRO functionally reports to the CEO.

The CRO heads the various RISK functions:

- **BNP Paribas Fortis RISK BRB:** RISK Belgian Retail Banking, part of RISK Commercial Public Banking & Services, is responsible for the management of credit risks arising from all Business Lines within the perimeter of BNP Paribas Fortis (Retail, Affluent and Private Banking Belgium, Corporate Banking excl. CIB).
- **BNP Paribas Fortis RISK CIB:** RISK Corporate & Institutional Banking, part of RISK CIB, is tasked to provide full transparency and a dynamic analysis of market & counterparty risks to all BNP Paribas Fortis businesses excluding ALM/Treasury and is responsible for the management of credit risks on Financial Institutions, on Sovereigns and on Corporates belonging to BNP Paribas Fortis CIB.
- **BNP Paribas Fortis RISK ORM:** RISK Operational Risk Management defines in consultation with the other Functions exercising second level controls the framework of operational risk and permanent control to be applied by the first and second lines of defence. Furthermore, RISK ORM acts as second line of defence on the operational risks domains defined in the Organisational Framework and Governance Framework for Operational Risk Management and Permanent Control.
- **BNP Paribas Fortis RISK ERA:** RISK Enterprise Risk Architecture is responsible for the Regulatory Affairs, RISK analytics and modelling, RISK strategic analysis, reporting and provisioning, RISK ALM–treasury and liquidity.
- **BNP Paribas Fortis RISK Function COO:** the RISK Function Chief Operating Office is responsible for Operational Permanent Control (ensuring first-line control of the RISK function), the management of IT-accesses and of the continuity of the RISK activities (managed by the Business Security and Continuity Office), the RISK Operating Office (coordinating the non-core support functions), projects related to change management and communication.
- **BNP Paribas Fortis DPO:** the Data Protection Office is responsible for monitoring compliance with personal data privacy and protection regulatory requirements.
- **BNP Paribas Fortis RISK IRC:** RISK Independent Review & Control is responsible for model risk management and the independent review of models in the area of (1) credit risk, (2) market- and counterparty risk and (3) operational risk.
- **Tribe Risk & Credits:** is responsible for products, processes, IT assets and Data related to credit and risk management. The Tribe Risk & Credits is not part of the integrated RISK function.

Oversight responsibilities:

Outside Belgium, alongside the existing local and global reporting lines, the CROs of companies that remain within the BNP Paribas Fortis Governance Perimeter inform the CRO of BNP Paribas Fortis in order to ensure compliance with internal and external rules.

[1] *Article 61 of the Banking Law.*

2 Risk measurement and categories

2.a Risk measurement

To assess and measure risks, BNP Paribas Fortis uses several qualitative and/or quantitative methodologies. These range from regular reporting on matters such as concentration and quantitative and qualitative portfolio overviews to more sophisticated quantitative risk models for estimating internal risk parameters. The latter include probability of default, loss given default, exposure at default and expected loss (for credit risk) and Value at Risk (for market risk).

The development and review of these models, and their validation, are subject to bank-wide standards in order to ensure adequacy and consistency.

The monitoring of the observed risk parameters, stress tests and model-based expectations are then compared to a framework of limits and risk guidelines.

Ultimately, all these risk measurements, together with stress tests, are then consolidated in Risk dashboards, which provide a general overview for senior management. These summary documents are intended to provide a basis for well-founded decisions and are subject to on-going improvements.

2.b Risk taxonomy

The risk categories reported below evolve in line with methodological developments at BNP Paribas and regulatory requirements.

Credit and counterparty risk

Credit risk is the risk of incurring a loss on financial assets (existing or potential due to commitments given) resulting from a change in the credit quality of the bank's debtors, which may ultimately result in default. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.

Credit risk is measured at portfolio level, taking into account correlations between the values of the loans and receivables making up the portfolio.

Counterparty credit risk (CCR) is the translation of the credit risk embedded in the financial transactions, investments and/or settlement between counterparties. Those transactions include bilateral contracts such as over-the-counter (OTC) derivative contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty credit risk lies in the fact that a counterparty may default on its obligations to pay the bank the full present value of a transaction or portfolio for which the bank is a net receiver. Counterparty credit risk is linked to the replacement cost of a derivative or portfolio in the event of the counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk.

Market risk

Market risk is the risk of incurring a loss of value due to adverse changes in market prices or parameters, whether quoted in the market or not.

Observable market parameters include, but are not limited to, foreign exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable parameters are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

Market risk is split into two parts:

- market risk linked to trading activities and corresponding to trading instruments and derivative contracts;
- market risk linked to banking activities encompassing the interest rate and foreign exchange risks stemming from banking intermediation activities.

Operational risk

Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the 'cause-event-effect' chain.

Internal processes giving rise to operational risk may involve employees and/or IT systems. External events include, but are not limited to: floods, fire, earthquakes, terrorist attacks and health risks related to a pandemic such as the coronavirus outbreak. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.

Operational risk encompasses fraud, human resources risks, legal risks, non-compliance risks, tax risks, information system risks, conduct risks (risks related to the provision of inappropriate financial services), risks relating to failures in operating processes, including loan procedures or model risks, as well as any potential financial implications resulting from the management of reputational risk.

Compliance and reputational risk

Compliance risk is the risk of legal, administrative or disciplinary sanctions, together with the significant financial loss that a bank may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to banking and financial activities, including instructions given by an executive body, particularly in the application of guidelines issued by a supervisory body.

By definition, compliance risk is a sub-category of operational risk. However, as certain implications of compliance risk involve more than a purely financial loss and may actually damage the institution's reputation, the bank treats compliance risk separately.

Reputational risk is the risk of damaging the trust placed in a corporation by its customers, counterparties, suppliers, employees, shareholders, regulators and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations.

Reputational risk is primarily contingent on all the other risks borne by the bank.

Asset-liability management risk

Asset-liability management risk is the risk of incurring a loss as a result of mismatches in interest rates, maturities or nature between assets and liabilities. Asset-liability management risk arises in non-trading portfolios and primarily relates to global interest rate risk.

Liquidity and refinancing risk

Liquidity and refinancing risk is the risk of the bank being unable to fulfil its obligations at an acceptable price in a given place and currency.

Environmental risk

Environmental risks and, more particularly, those associated with climate change are a financial risk for the bank. They may affect it, either directly on its own operations, or indirectly via its financing and investment activities. There are two main types of risks related to climate change: (i) transition risks, which result from changes in the behaviour of economic and financial actors in response to the implementation of energy policies or technological changes; (ii) physical risks, which result from the direct impact of climate change on people and property through extreme weather events or long-term risks such as rising water levels or increasing temperatures. In addition, liability risks may arise from both categories of risk. They correspond to the damages that a legal entity would have to pay if it were found to be responsible for global warming.

3 Capital adequacy

Framework

As a credit institution, BNP Paribas Fortis is subject to regulatory supervision.

The Belgian Banking Law of 25 April 2014 on the legal status and supervision of credit institutions aligns the Belgian legislation in accordance with the EU regulatory framework. The Capital Requirements Directive (CRD) is the legal framework for the supervision of credit institutions in all Member States of the European Union and is the basis of the Single Supervisory Mechanism (SSM), composed of the European Central Bank (ECB) and the national competent authorities, such as the National Bank of Belgium (NBB). The Capital Requirements Regulation (CRR) was published under reference number 575/2013 on 27 June 2013 in the Official Journal of the European Union and is applicable as from 1 January 2014. The CRD and the CRR have been amended by the European Parliament and by the Council in 2019 (CRD 5 and CRR 2). New amendments to the CRD and to the CRR have been adopted in 2024 (CRD 6 and CRR 3) with a first application date as from 1 January 2025.

As such BNP Paribas Fortis is supervised, at consolidated and statutory level, by the ECB and by the NBB. BNP Paribas Fortis' subsidiaries may also be subject to regulation by various supervisory authorities in the countries where these subsidiaries operate.

Regulators require banks to hold a minimum level of qualifying capital under the 1st Pillar of the Basel framework.

Since 1 January 2014, BNP Paribas Fortis has been computing its qualifying capital and its risk-weighted assets under the CRR/CRD 4.

The NBB has granted to BNP Paribas Fortis its approval for using the advanced approaches for calculating the risk-weighted assets under the current Basel regulations (CRR 2): Advanced Internal Ratings-Based Approach (AIRBA) for credit risk, internal models (IM) for market risk and Advanced Measurement Approach (AMA) for operational risk.

Some subsidiaries of BNP Paribas Fortis have not received such approval and therefore use the Standardised Approach for calculating their risk-weighted assets

Breakdown of regulatory capital

Qualifying capital for regulatory purpose at consolidated level is calculated based on IFRS accounting standards, taking into account prudential filters and deductions imposed by the regulator, as described in the CRR/CRD and transposed into the Belgian Banking Law published in April 2014.

The table below details the composition of the regulatory capital of BNP Paribas Fortis:

In millions of euros	31 December 2024 Basel III
Common Equity Tier 1 (CET1) capital: instruments and reserves	
Capital instruments and the related share premium accounts	11,905
Retained earnings	12,913
Accumulated other comprehensive income (and other reserves)	(2,447)
Minority interests (amount allowed in consolidated CET 1)	1,873
Independently reviewed interim profits net of any foreseeable charge or dividend	2,864
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**27,107**
Common Equity Tier 1 (CET1): regulatory adjustments	**(2,880)**
COMMON EQUITY TIER 1 (CET1) CAPITAL	**24,227**
Additional Tier 1 (AT1) capital: instruments	**3,669**
Additional Tier 1 (AT1) capital: regulatory adjustments	**-**
ADDITIONAL TIER 1 (AT1) CAPITAL	**3,669**
TIER 1 CAPITAL (T1 = CET1 + AT1)	**27,895**
Tier 2 (T2) capital: instruments and provisions	**4,989**
Tier 2 (T2) capital: regulatory adjustments	**(183)**
TIER 2 (T2) CAPITAL	**4,806**
TOTAL CAPITAL (TC = T1 + T2)	**32,701**

The table below shows the key capital indicators:

In millions of euros	31 December 2024	31 December 2023
Common equity Tier 1 Capital (CET1)	24,227	20,947
Tier 1 Capital	27,895	21,715
Total Capital	32,701	22,701
Risk weighted commitments		
Credit risk	145,617	103,065
Securitisation	763	969
Counterparty Risk	1,819	1,372
Equity Risk	9,095	13,203
Market risk	2,016	1,579
Operational risk	13,197	8,785
TOTAL RISK WEIGHTED COMMITMENTS	**172,505**	**128,972**
CET 1 ratio	14.04%	16.24%
Tier 1 ratio	16.17%	16.84%
Total capital ratio	18.96%	17.60%

The table below shows the leverage ratio :

In millions of euros	31 December 2024	31 December 2023
ON-BALANCE EXPOSURE (EXCL. REPO & DERIVATIVES)	**344,843**	**320,310**
REPO'S AND DERIVATIVES	**24,005**	**19,884**
Repurchase agreements and securities lending/borrowing	18,782	15,494
Replacement cost of derivatives transactions	3,411	2,785
Add-on for potential future risk derivatives	2,179	1,933
Cash variation margins	(367)	(327)
OFF-BALANCE EXPOSURE (ADJUSTED FOR CONVERSION TO CREDIT EQUIVALENT. ART.429 CRR)	**32,453**	**24,474**
TOTAL EXPOSURE	**401,300**	**364,668**
REGULATORY ADJUSTMENTS	**(2,883)**	**(2,498)**
TIER 1 CAPITAL	**27,895**	**21,715**
LEVERAGE RATIO	**7.00%**	**6.00%**

4 Credit and counterparty credit risk

4.a Credit risk

Exposure to credit risk

The following table shows all BNP Paribas Fortis' financial assets, including fixed-income securities, which are exposed to credit risk. Credit risk exposure does not include collateral and other security taken by the bank in its lending business or purchases of credit protection.

Exposure to credit risk* by Basel asset class

In millions of euros	31 December 2024			31 December 2023		
	IRBA	Standardised Approach	Total	IRBA	Standardised Approach	Total
Central governments and central banks	45,650	7,601	53,251	51,291	8,021	59,312
Corporates	122,501	36,894	159,395	131,333	22,147	153,480
Institutions **	13,722	7,503	21,225	12,913	5,888	18,802
Retail	95,510	52,174	147,684	93,971	46,742	140,713
Securitisation positions	2,906	366	3,271	4,022	491	4,513
Other non-credit-obligation assets ***	-	36,810	36,810	-	4,975	4,975
TOTAL EXPOSURE	**280,289**	**141,348**	**421,637**	**293,530**	**88,264**	**381,794**

* *Exposure to credit risk excludes DTA's risk weighted at 250% and default fund contributions to CCPs*

** *Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities*

*** *Other non-credit-obligation assets include tangible assets, accrued income and residual values*

The table above shows the entire prudential scope based on the asset classes defined in accordance with Article VI.2 of the CBFA Regulation of 17 October 2006 on capital requirements for credit institutions and investment firms.

Diversification of exposure to credit risk

Credit risk concentration is any exposure to a counterparty or an aggregate of exposures to a number of positively correlated counterparties (i.e. tendency to default under similar circumstances) with the potential to produce a significant amount of capital loss due to a bankruptcy or failure to pay. Avoidance of concentrations is therefore fundamental to BNP Paribas Fortis' credit risk strategy of maintaining granular, liquid and diversified portfolios.

In order to identify potential linkages between exposures to single counterparties, BNP Paribas Fortis applies the concept of 'Total Group Authorisation'. This implies that groups of connected counterparties are deemed to be a 'Business Group' for the management of credit risk exposure.

To manage the diversity of credit risk, BNP Paribas Fortis' credit risk management policy seeks to spread credit risk across different sectors and countries. The table below shows the industry concentration of BNP Paribas Fortis' customer credit portfolio.

Breakdown of credit risk* by Basel III Asset Class and by corporate industry

In millions of euros	31 December 2024		31 December 2023	
	Exposure	%	Exposure	%
Agriculture, Food, Tobacco	15,264	4%	13,693	4%
Financial services	53,145	12%	54,752	14%
Chemicals excluding Pharmaceuticals	3,538	1%	4,111	1%
Construction	10,073	2%	11,513	3%
Retailers	4,726	1%	6,605	2%
Equipment excluding IT	6,085	1%	6,705	2%
Real estate	33,417	8%	31,994	8%
Metals & Mining	7,369	1%	5,687	1%
Wholesale & Trading	13,012	3%	11,967	3%
Business services	23,763	6%	40,346	11%
Transportation & Logistics	12,677	3%	10,155	3%
Utilities (electricity, gas, water, etc.)	10,269	2%	11,122	3%
Retail	120,641	30%	103,872	26%
Sovereign & public sector	28,017	7%	22,837	6%
Other	76,370	19%	41,924	11%
TOTAL	**418,365**	**100%**	**377,283**	**100%**

Geographical breakdown of credit risk* by counterparty's country of location

Country concentration risk is the sum of all exposures to obligors in the country concerned. The table below shows the geographical concentration of BNP Paribas Fortis' customer credit portfolio.

In millions of euros	31 December 2024					
	Basel III					
	Central governments and central banks	Corporates	Institutions	Retail	Total	%
Europe	**45,969**	**142,596**	**17,626**	**171,852**	**378,043**	**90%**
Belgium	*27,613*	*75,954*	*9,544*	*97,422*	*210,533*	*50%*
Netherlands	*21*	*6,274*	*1,378*	*4,949*	*12,622*	*3%*
Luxembourg	*13,041*	*13,460*	*853*	*10,222*	*37,577*	*9%*
France	*704*	*7,552*	*2,331*	*11,709*	*22,296*	*5%*
Other European countries	*4,589*	*39,356*	*3,520*	*47,551*	*95,016*	*23%*
North America	**306**	**2,766**	**310**	**219**	**3,600**	**1%**
Asia & Pacific	**218**	**1,127**	**239**	**113**	**1,698**	**0%**
Rest of the World	**6,758**	**12,906**	**3,049**	**12,310**	**35,023**	**8%**
TOTAL	**53,251**	**159,395**	**21,225**	**184,494**	**418,365**	**100%**

* *Credit risk exposure excludes DTA's risk weighted at 250%, default fund contributions to CCPs and securitisation positions*

In millions of euros	31 December 2023					
	Basel III					
	Central governments and central banks	Corporates	Institutions	Retail	Total	%
Europe	**52,436**	**137,806**	**16,737**	**138,360**	**345,340**	**92%**
Belgium	*34,018*	*73,066*	*9,663*	*95,938*	*212,684*	*56%*
Netherlands	*5*	*4,820*	*1,431*	*3,412*	*9,667*	*3%*
Luxembourg	*14,759*	*12,658*	*226*	*9,699*	*37,343*	*10%*
France	*503*	*13,938*	*2,801*	*4,987*	*22,228*	*6%*
Other European countries	*3,151*	*33,323*	*2,617*	*24,325*	*63,417*	*17%*
North America	**1,058**	**3,691**	**195**	**199**	**5,143**	**1%**
Asia & Pacific	**54**	**1,213**	**289**	**115**	**1,672**	**0%**
Rest of the World	**5,763**	**10,771**	**1,581**	**7,013**	**25,128**	**7%**
TOTAL	**59,312**	**153,480**	**18,802**	**145,689**	**377,283**	**100%**

General credit policy

BNP Paribas Fortis' lending activities are governed by the Global Credit Policy, which applies to all BNP Paribas Group entities. It is approved by the BNP Paribas Group Risk Committee, chaired by the Chief Executive Officer and endorsed by the BNP Paribas Fortis Executive Board, chaired by the Chief Executive Officer. The policy is underpinned by core principles relating to compliance with the BNP Paribas Group's ethical standards, compliance policies, clear definition of responsibilities (Business and Risk), and the existence and implementation of procedures and requirements for a thorough analysis of risks. It is cascaded in the form of specific policies tailored to types of businesses or counterparties. The framework for the governance of credit risks within the bank is further detailed in a specific, transversal approach which is built upon key credit routing principles, rules governing the granting of delegations of authority and the role of the Central Credit Committee, which is the highest-level credit committee at the bank. It also reiterates and reinforces the key principle that the Risk function is independent from the Businesses.

BNP Paribas Fortis' lending activities are also governed by Sector Policies. The bank, makes great efforts to finance projects that score well in the field of environmental care. BNP Paribas Fortis has currently 8 sector policies in place setting out the guidelines for its financing and investment activities in sectors facing major social and environmental challenges.

The bank's strategy and commitment in this regard is fully in line with that of the BNP Paribas Group. More information thereon can be found in part 7 of the Universal Registration Document of BNP Paribas.

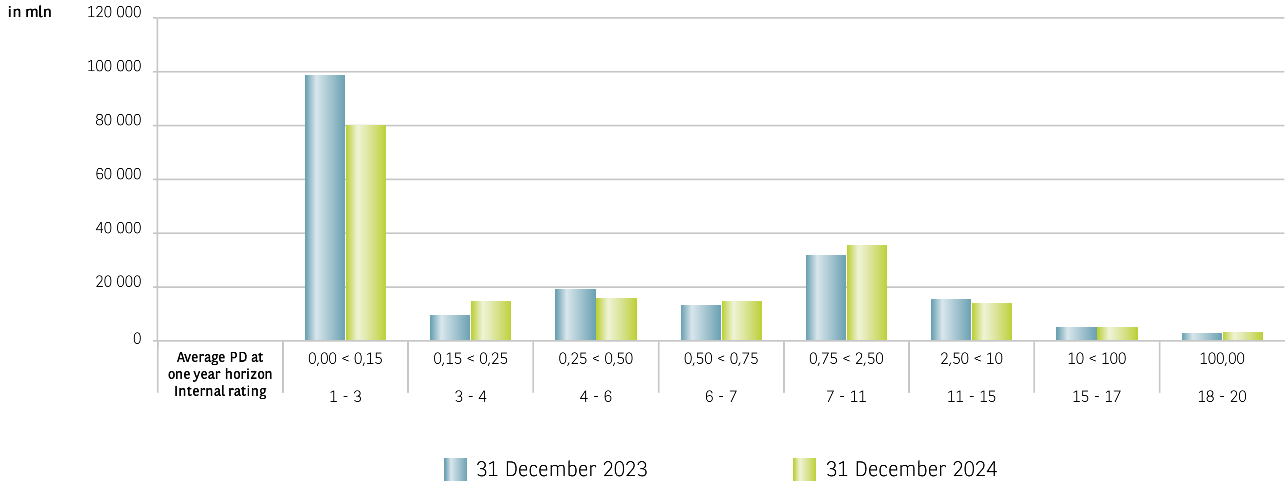
Internal rating system

The bank has a comprehensive internal rating system for determining risk-weighted assets used to compute capital adequacy ratios. A periodic assessment and control process has been deployed to ensure that the system is appropriate and correctly implemented. For corporate loans, the system is based on three parameters: the counterparty's probability of default expressed via a rating; loss given default, which depends on the structure of the transaction; and the credit conversion factor (CCF), which estimates the portion of off-balance sheet exposure at risk.

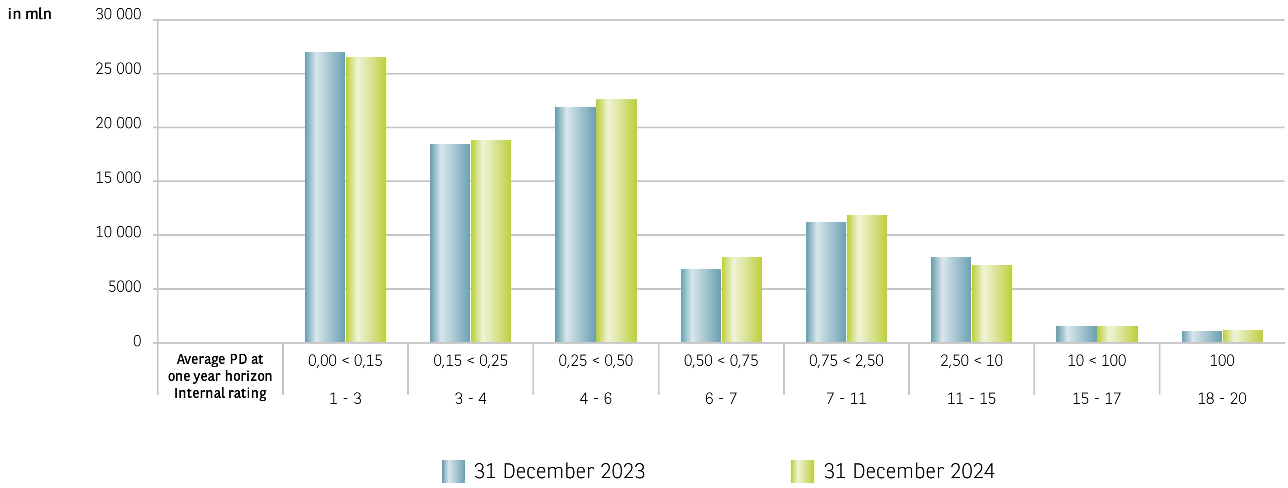
Each of the credit risk parameters is back-tested annually to check the system's performance for each of the bank's business segments. Back-testing consists of comparing estimated and actual results for each parameter.

There are twenty counterparty ratings. Seventeen cover performing clients with credit assessments ranging from 'excellent' to 'very concerning', and three relate to clients classified as in default, as per the definition published by the banking regulator.

Breakdown of IRBA exposure by internal rating – Sovereign, Financial Institutions and Corporate



Breakdown of IRBA exposure by internal rating – retail activities



4.b Counterparty credit risk

Counterparty credit risk (CCR) is the translation of the credit risk embedded in the financial transactions, investments and/or settlement between counterparties.

Those transactions include bilateral contracts such as over-the-counter (OTC) derivative contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty credit risk lies in the fact that a counterparty may default on its obligations to pay the bank the full present value of a transaction or portfolio for which the bank is a net receiver. Counterparty credit risk is linked to the replacement cost of a derivative or portfolio in the event of the counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk.

5 Market risk

Market risk is the risk of incurring a loss of value due to adverse moves in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, foreign exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

In fixed-income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates.

The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or securities may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

Market risk is split into two parts:

- market risk linked to trading activities and corresponding to trading instruments and derivative contracts;
- market risk linked to banking activities covering the interest rate and foreign exchange risks originating from the bank's intermediation activities.

5.a Capital requirement and risk weighted assets for market risk

Market Risk Capital Requirement and Risk-Weighted Assets

In millions of euros	RWAs		Capital requirements	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Internal model	**778**	**752**	**62**	**60**
VAR	158	154	13	12
Stressed VAR	566	518	45	41
Incremental Risk Charge (IRC)	54	81	4	6
Comprehensive Risk Measure (CRM)	-	-	-	-
Standardised approach	**1,238**	**827**	**99**	**66**
Trading book securitisation positions	**-**	**-**	**-**	**-**
MARKET RISK	**2,016**	**1,579**	**161**	**126**

The market risk calculated using the standardised approach covers the market risk of some entities of the bank that are not covered by internal models. The standardised approach is used to calculate foreign exchange risk and raw materials risk for the banking book.

5.b Market risk related to trading activities

Market risk arises from trading activities carried out by the Corporate and Institutional Banking business and encompasses different risk factors:

- Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates;
- Foreign exchange risk is the risk that the value of an instrument will fluctuate due to changes in foreign exchange rates;
- Equity risk arises from changes in the market prices and volatility of equity shares and/or equity indices;
- Commodity risk arises from changes in the market prices and volatility of commodities and/or commodity indices;
- Credit spread risk arises from the change in the credit quality of an issuer and is reflected in changes in the cost of purchasing protection on that issuer;
- Option products carry by nature volatility and correlation risks, for which risk parameters can be derived from option market prices observed in an active market.

The trading activities of BNP Paribas Fortis and its subsidiaries are justified by the economic relations with the direct customers of the business lines, or indirectly as part of market-making activities.

Within Risk, three departments are responsible for monitoring market risk:

- RISK Markets & Financial Institutions (MFI) covers the market risk activities of Global Markets;
- RISK ALMT covers the ALM Treasury activities;
- RISK EM covers international retail market activities outside the eurozone.

This mission consists of defining, measuring and analysing risk factors and sensitivities, as well as measuring and controlling Value at Risk (VaR), the global indicator of potential losses. Risk ensures that all business activities comply with the limits approved by the various committees and approves new activities and major transactions, reviews and approves position valuation models and conducts a monthly review of market parameters (MAP review) in association with the Valuation and Risk Control Department (V&RC).

Value at Risk (VaR)

The VaR is a statistical measure indicating the worst loss for a given portfolio over a given time period within a given confidence interval under normal market conditions. It is not a maximum loss figure and may be exceeded in some cases, for example in the event of abnormal market conditions.

The BNP Paribas Fortis VaR methodology aims at accurately computing a 1-day Value at Risk at a 99% confidence level. The BNP Paribas Fortis VaR calculation uses an internal model which has been approved by the banking supervisor.

The VaR calculation is based on a Monte-Carlo approach, which not only performs normal or log-normal simulations but also accounts for abnormality often observed in financial markets as well as correlation between risk factors. A one year rolling window of historical market data with equal weighting (updated bi-weekly) is used to calibrate the simulation.

The main groups of simulated factors include interest rates, credit spreads, foreign exchange rates, equity prices, commodities prices and associated implied volatilities. Risk factors returns are either relative or absolute.

The precise valuation method used varies depending not upon the product but upon the type of risk the Bank is capturing. Generally speaking, the methods used are either sensitivity-based or full-revaluation-based on P&L grid interpolation so as to incorporate both linear and - especially for derivatives - non-linear effects. In both cases, BNP Paribas Fortis computes general and specific risk as a whole, including the diversification effect through the correlation between risk factors.

The algorithms, methodologies and sets of indicators are reviewed and improved regularly to take into account the evolution of the capital market.

Following agreement with the Belgian and French regulators (NBB and ACPR), the BNP Paribas internal model has been extended since 2011 to BNP Paribas Fortis.

The VaR is a measure that does not take into account losses above the confidence interval and is not applicable to losses linked to intraday market movements. Risk measures like the SVaR and IRC complete the monitoring framework and the market risk management within BNP Paribas Fortis.

Evolution of the VaR (one-day, 99%)

The VaR figures set out below are calculated from the internal model for market risk, which uses parameters that comply with the regulation in place. They are based on a one-day time horizon and a 99% confidence interval.

In 2024, total average VaR was 1.1 million euros (with a minimum of 0.7 million euros and a maximum of 1.6 million euros), after taking into account the (0.4) million euros netting effect between the different types of risks. These amounts break down as follows: Value at Risk (1-day, 99%)

In millions of euros	31 December 2024				31 December 2023	
	Average	Minimum	Maximum	End of Year	Average	End of Year
Interest rate risk	1.0	0.7	1.5	1.3	1.5	1.4
Credit risk	0.3	0.1	0.5	0.2	0.4	0.4
Foreign exchange risk	0.2	0.1	0.4	0.1	0.4	0.2
Equity risk	-	-	-	-	-	-
Commodity price risk	-	-	-	-	-	-
Netting effect	(0.4)	(0.2)	(0.9)	(0.4)	(0.6)	(0.6)
TOTAL VALUE AT RISK	**1.1**	**0.7**	**1.6**	**1.3**	**1.6**	**1.4**

Stressed VaR

A Stressed VaR (SVaR) is calibrated over a one-year period including a crisis period. This period applies across the Group, which must have comprehensive market data to calculate the risk measurements and remain relevant when applied to the current trading book. An expert committee reviews the period on a quarterly basis in accordance with a quantitatively informed approach among the three scenarios that generate the maximum stressed risk measures.

The current reference period for calibrating stressed VaR is from 2 July 2008 to 30 June 2009.

BNP Paribas Fortis uses the same methodology as to compute the VaR, considering the market parameters on this reference period.

Stressed value at Risk (one-day, 99%)

In millions of euros	31 December 2024				31 December 2023	
	Average	Minimum	Maximum	End of Year	Average	End of Year
STRESSED VALUE AT RISK	**3.7**	**-**	**5.0**	**3.8**	**2.5**	**2.8**

Incremental Risk Charge (IRC)

The IRC approach measures losses due to default and ratings migration at the 99.9% confidence interval over a capital horizon of one year, assuming a constant level of risk.

The perimeter to which the IRC is applied, covers mainly vanilla credit products (bonds and CDS excluding securitisation products) of the trading portfolio. The calculation of IRC is based on the assumption of a constant level of risk to the one-year capital horizon, implying that the trading positions or sets of positions can be rebalanced within this horizon in a manner that maintains the initial risk level. Maturing or defaulting positions are also renewed at the start of this 'liquidity horizon'.

The internally developed model is built around a ratings-based simulation for each obligor, which captures both the risk of the default and the risk of rating migration. The dependency between debtors is integrated into a multi-factor asset return model, resulting in the rating migration, potential default and changes in credit spreads.

5.c Market risk relating to banking activities

Market risk relating to banking activities encompasses the risk of loss on equity positions on the one hand, and the interest rate and currency risks stemming from banking intermediation activities and investments on the other hand.

5.c.1 Equity risk

Equity interests held by the bank outside the Trading Book refers to securities which convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance.

5.c.2 Currency risk

Currency risk relates to all transactions whether part of the Trading Book or not.

Except for BNP Paribas Fortis Belgium's currency exposure, which is calculated using the BNP Paribas Fortis internal model approved by the banking supervisor, exposure to currency risk is determined under the Standardised approach, using the option provided by the banking regulator to limit the scope to operational currency risk.

5.c.3 Interest rate risk

5.c.3.1 Organisation of Interest rate risk management

The Board of directors assigns responsibility to the Chief Executive Officer for management of interest rate risk in the banking book; the Chief Executive Officer delegates the management responsibility to the bank Asset and Liability Management Committee (ALCo).

The permanent members of the bank ALCo are the Chief Executive Officer (Chairperson), the Executive Board members heading up core businesses, the Chief Risk Officer, the Chief Financial Officer (alternate Chairperson), the Head of ALM Treasury, the Head of BNP Paribas ALM Treasury Domestic Markets Steering and the Head of the bank ALM Treasury Steering; other ALCo members belong to ALM Treasury, Risk or Finance. The bank ALCo which meets on a monthly basis is responsible for defining the interest rate risk profile of the bank's banking book and for defining and tracking interest rate risk monitoring indicators and assigning limits.

ALM Treasury is in charge of the operational implementation of decisions related to the management of the interest rate risk of the banking book.

The RISK function participates in the ALCo and oversees the implementation by ALM Treasury of the relevant decisions made by this committee. It also provides second-line control by reviewing the models & risk indicators, monitoring the level of risk indicators and ensuring compliance with the limits assigned.

The banking book includes all interest bearing assets and liabilities of all the Business Lines of BNP Paribas Fortis (including the ALM Treasury own investment and hedging transactions) with the exception of authorised trading activities (being client hedging and market making).

Transactions initiated by each BNP Paribas Fortis Business Line are systematically transferred to ALM Treasury by internal analytical contracts booked in the management accounts or by loans and borrowings.

The bank's strategy for managing interest rate risk is mainly based on closely monitoring the sensitivity of the bank's interest earnings to changes in interest rates, factoring in all interest rate risks (repricing or gap risk, basis risk and optional risk); the objective is to ensure the stability and regularity of the total net interest margin. This management process requires an accurate assessment of the risks incurred so that the bank can determine and implement the most optimal hedging strategies.

Interest rate risk is mitigated using a range of different instruments, the most important of which are derivatives - primarily interest rate swaps and options. Interest rate swaps are used to change the linear risk profile, which is mainly due to long-term fixed-rate assets and liabilities. Options are used to reduce non-linear risk, which is mainly caused by embedded options sold to clients, e.g. prepayment options on mortgages, floors on deposits.

5.c.3.2 Management and Hedging of Interest rate Risk

The hedging strategies for interest rate risk in the banking book are defined and implemented by currency.

The hedges can comprise swaps and options and are typically accounted for as fair value or cash flow hedges. They may also take the form of HQLA (High Quality Liquid Asset) securities which are accounted for in 'Hold to Collect and Sell'.

6 Sovereign risks

Sovereign risk is the risk of a State defaulting on its debt, i.e. a temporary or prolonged interruption of debt servicing (interest and/or principal). The bank is thus exposed to credit, counterparty or market risk according to the accounting category of the financial asset issued by the Sovereign State.

Exposure to sovereign debt mainly consists of bonds.

The bank holds sovereign bonds as part of its liquidity management process. Liquidity management is based amongst others on holding bonds which are eligible as collateral for refinancing by central banks; a substantial share of this 'liquidity buffer' consists of highly rated debt securities issued by governments, supra-national authorities and agencies, representing a low level of risk. A part of this same portfolio has interest rate characteristics that contribute to the banking book interest rate risk hedging strategies.

BNP Paribas Fortis' sovereign bond portfolio is shown in the table below. Figures in this table are now reported under the prudential scope whereas in previous years' disclosures, they were reported under the accounting scope.

Banking Book *In millions of euros*	31 December 2024	31 December 2023
Eurozone		
Belgium	9,858	8,188
Italy	605	624
Spain	561	265
Luxembourg	542	542
Austria	526	380
France	39	25
Finland	25	75
Cyprus	21	1
Germany	2	2
The Netherlands	-	-
Total eurozone	**12,179**	**10,102**
Other countries in European Economic Area (EEA)	**-**	
Czech Republic	39	38
Others	25	1
Total other EEA	**64**	**39**
Other countries	**-**	**-**
Turkey	2,667	1,750
Others	16	36
Total other countries	**2,683**	**1,786**
TOTAL	**14,926**	**11,927**

7 Operational risk

Risk management framework

Regulatory framework

In line with the BNP Paribas Group framework, BNP Paribas Fortis has implemented an all-embracing, single, operational Risk Management framework for the entire bank, which complies with the Banking Regulation. This approach supports the organisation by offering better management of risk through heightened operational risk awareness. It ensures effective measurement and monitoring of the operational risk profile.

Key players and governance

An appropriate risk management structure has been created around a model with three levels of defense, which places the primary responsibility for operational risk management and mitigation with the Businesses. Within BNP Paribas Fortis, the main control functions providing the second line of defence are Compliance, Legal and RISK. Their role is to ensure that the operational Risk Management framework is properly embedded, that the operational risks that are identified, assessed, measured and managed reflect the true risk profile and that the resulting levels of own funds are adequate. The third line of defense is provided by the General Inspection (internal audit) department, which provides assurance that risk structures and policies are being properly implemented.

The main governance bodies for the areas of Operational Risk & Internal Control are the Internal Control Committees (ICC's) who bring together the key stakeholders from the three lines of defence to discuss and agree on the main topics pertaining to operational risks, including operational and organisational aspects.

8 Compliance and reputational risk

Compliance mission

The overall mission of the Compliance department is to provide reasonable assurance of the consistency and effectiveness of the compliance of BNP Paribas Fortis' activities and to safeguard the bank's reputation through binding advices, oversight and independent controls. More specifically, the compliance function gives reasonable assurance that compliance, regulatory and reputational risks are monitored, controlled and mitigated as relevant.

The Compliance department's role, as a second line of defense, is to supervise the effective management of compliance risk. This involves policy-setting, providing advice, performing controls, providing assurance that the bank is complying with rules and regulations and raising the awareness of colleagues of the need to follow key compliance principles:

- financial security: customer due diligence, anti-money laundering, combating the financing of terrorism, financial sanctions/embargoes and disclosure to financial intelligence units; fiscal deontology, prevention of corruption and bribery;
- customer protection: compliance of the bank's organisation and processes with the customer protection regulatory obligations regarding invest, lending, insurance and daily banking services;
- employee integrity: covers the codes of conduct, gifts & invitations policy, conflicts of interest, whistleblowing policy and a personal transactions policy;
- market integrity: market abuse, banking laws, conflicts of interest.

The Compliance department sets policies and gives binding advice in these areas. The advice from Compliance may be escalated to a higher level until consensus is found, so as to ensure appropriate issue resolution.

Compliance organisational setup

The Compliance function is organised as an independent, integrated and decentralised function.

Compliance has direct, independent access to the Board's Risk Committee, Audit Committee and Remediation Monitoring Committee and is a permanent invitee to these Committees.

Compliance also has a direct and independent access to the Board of Directors.

The Chief Compliance Officer is a member of the bank's Executive Committee.

Basic principles

The management of compliance risks is based on the following fundamental principles:

- individual responsibility: compliance is everyone's responsibility, not solely the responsibility of the Compliance department;
- exhaustive and comprehensive approach: the scope of compliance extends to all the bank's activities. In this respect, the Compliance department has unrestricted access to all required information;
- independence: compliance staff exercise their mission in a context which guarantees their independence of thought and action; Group policies prevail over local policies as far as these Group policies are consistent with national law.

9 Liquidity risk

Liquidity risk is the risk of the bank being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.

This risk may stem from the reduction in funding sources, draw down of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputation risk) or to external factors (risks in some markets).

The bank's liquidity risk is managed under a global liquidity policy approved by the Board of Directors. This policy is based on management principles designed to apply both in normal conditions and in a liquidity crisis. The bank's liquidity position is assessed on the basis of internal standards and regulatory ratios.

Objectives of the liquidity risk management policy

The objectives of the bank's liquidity risk management policy are to secure a balanced financing structure for the development of the BNP Paribas Fortis business activities, and to ensure it is sufficiently robust to cope with crisis situations.

The liquidity risk management framework relies on:

- management indicators:
  - by volume, to ensure that businesses or activities comply with their liquidity targets set in line with the bank's financing capacity;
  - by price, based on internal liquidity pricing;
- the definition of monitoring indicators which enable assessment of the bank's liquidity position under normal conditions and in crisis situations, the efficiency of actions undertaken and compliance with regulatory ratios;
- the implementation of liquidity risk management strategies based on diversification of funding sources with maturities in line with needs, and the constitution of liquidity reserves.

The bank's liquidity policy defines the management principles that apply across all BNP Paribas Fortis entities and businesses and across all time horizons.

Governance

As for all risks, the Chief Executive Officer is granted authority by the Board of Directors to manage the bank's liquidity risk. The Chief Executive Officer delegates this responsibility to the Asset & Liability Committee (ALCo).

The Risk Committee reports quarterly to the Board of Directors on liquidity policy principles and the bank's liquidity position.

The Asset & Liability Committee is responsible for:

- defining the bank's liquidity risk profile;
- monitoring compliance with regulatory liquidity ratios;
- deciding and monitoring management indicators and calibrating the quantitative thresholds set for the bank's businesses;
- deciding and monitoring the liquidity risk indicators and associating quantitative thresholds to them where necessary;
- deciding and overseeing implementation of liquidity risk management strategies, including monitoring of business lines, in normal and stressed conditions.

In particular, the Asset & Liability Committee is informed about funding programs and programs to build up liquidity reserves, simulations in crisis conditions (stress test), and about all events that may arise in crisis situations. The Liquidity Crisis Committee, a subset of the Asset & liability Committee, is tasked with defining the management approach in periods of crisis (emergency plan).

The Asset & Liability Committee meets every month.

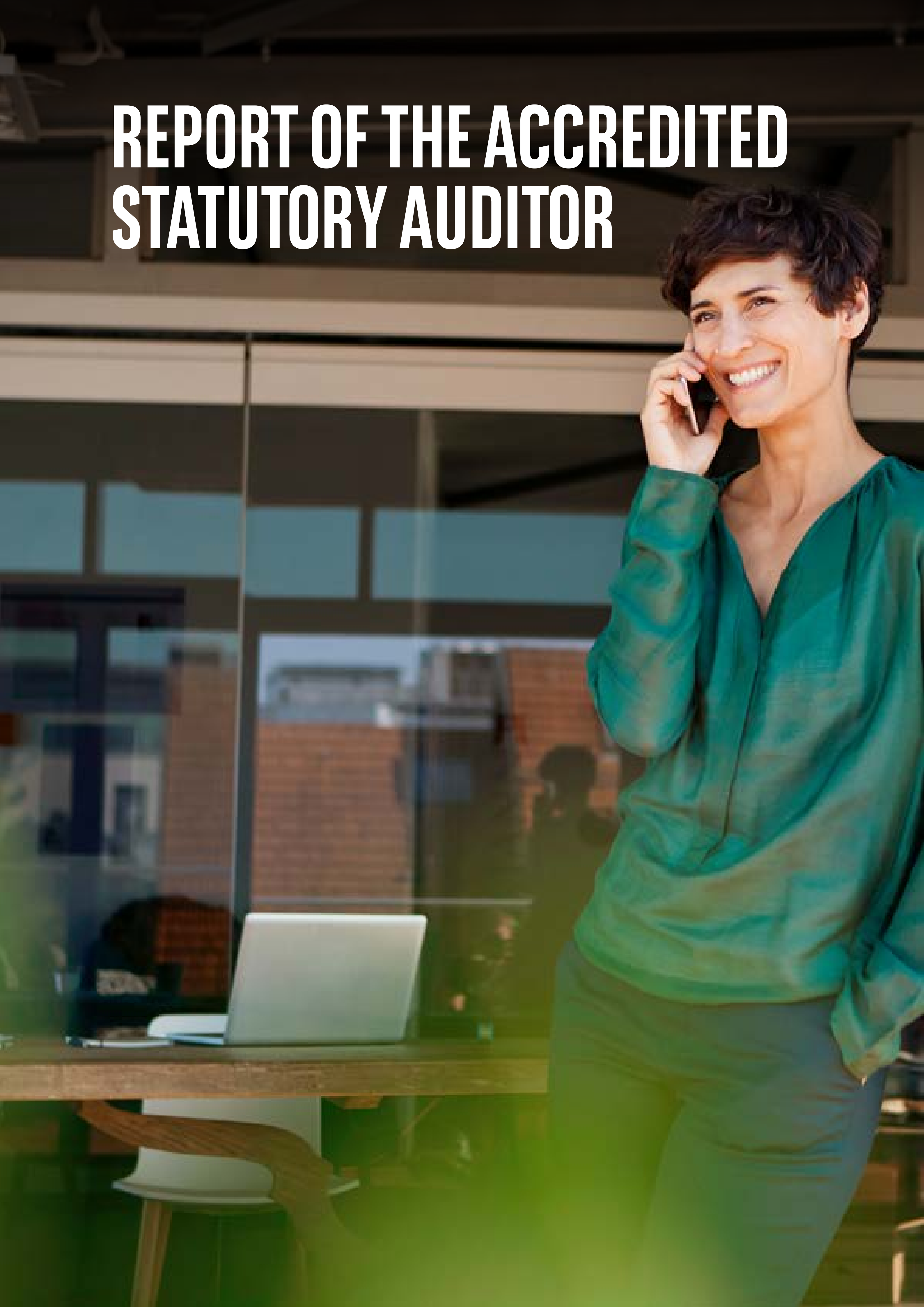
Across the bank, ALM Treasury is responsible for the operational implementation of the Asset & Liability Committee liquidity management decisions. The Asset & Liability Committees in entities or groups of entities are responsible for local implementation of the strategy decided by the Bank's Asset & Liability Committee to manage the bank's liquidity risk.

ALM Treasury is responsible for managing liquidity for the entire bank across all maturities. In particular, it is responsible for funding and short-term issuance (certificates of deposit, commercial paper, etc.), for senior and subordinated debt issuance (MTNs, bonds, medium/long- term deposits, covered bonds, etc.), (retained) loan securitisation and (retained) covered bond programs for the bank. ALM Treasury is tasked with providing internal financing to the bank's core businesses, operational entities and business lines, and investing their surplus cash. It is also responsible for building up and managing liquidity reserves, which comprise assets that can be easily sold in the event of a liquidity squeeze.

The Risk function participates in the Asset & Liability Committee and the local ALCo's and oversees implementation by ALM Treasury of the relevant decisions made by these committees. It provides second-line control by reviewing the models and risk indicators (including liquidity stress tests), monitoring risk indicators and ensuring compliance with the limits assigned.

The Finance function is responsible for producing the standardised regulatory liquidity indicators, as well as the internal monitoring indicators. Finance oversees the consistency of the internal monitoring indicators defined by the bank's ALM Committee. The Finance function takes part in the Asset & Liability Committee and the local ALCo's.

REPORT OF THE ACCREDITED STATUTORY AUDITOR



Statutory auditor's report to the shareholders' meeting of BNP Paribas Fortis SA/NV for the year ended 31 December 2024 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of BNP Paribas Fortis SA/NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 20 April 2023, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2025. We have performed the statutory audit of the consolidated financial statements of BNP Paribas Fortis SA/NV for 2 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the profit and loss account for the year ended 31 December 2024, the statement of net income and change in assets and liabilities recognised directly in equity, the balance sheet at 31 December 2024, the consolidated cash flow statement for the year then ended, the consolidated statement of changes in shareholder's equity between 1 January 2023 and 31 December 2024, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 379 846 million EUR and the consolidated profit and loss account shows a profit for the year then ended of 3 286 million EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2024 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Impairment allowances for loans and advances BNP Paribas Fortis SA/NV's consolidated accounts show loans and advances for an amount of 248 735 million EUR at year-end 2024. IFRS 9 imposes an expected loss model of provisioning and requires credit exposures to be classified according to three stages. Impairment allowances are posted on all loans and receivables to address an expected loss event that has an impact on the estimated future cash flows of these loans and receivables. For defaulted loans, the identification and determination of the recoverable amount are part of an estimation process which includes, among others, assessing the existence of a default event and of the financial position of the counterparty, estimating the expected future cash flows and assessing the value of collateral received. The determination of the impairment allowances involves judgement in determining assumptions, methodology, modelling techniques and parameters. Due to the substantial amount of loans and advances recognized in the balance sheet, of the cost of risk recognized in the income statement (390 million EUR), the significant impact of the judgments applied on the carrying amount of loans and advances and the increased uncertainty linked to the current macroeconomic environment, auditing the process described above is considered a Key Audit Matter. We refer to Notes 4.e and 2.g to the consolidated accounts. In addition, the Board of Directors has described the process for managing credit risks and for reviewing impairment losses in more detail in its directors' report on the consolidated accounts and in the credit risk section in the risk management and capital adequacy disclosures.	Based on our risk assessment, we have examined the impairment losses and challenged the methodology applied as well as the assumptions made by management as described in the next column: • We have evaluated the governance process of assessing the stage of credit risk (as defined by IFRS 9) and downgrading, including the result of back testing of the default models Midcap SME and Individuals, the back testing of the Significant Increase of Credit risk model and the continuous re-assessment of the appropriateness of assumptions used in the impairment models for determining the loan losses; • We have tested the design, implementation and operating effectiveness of the key controls over the models, including the backtesting and model recalibration, and manual processes for identification of impairment events or significant changes in credit risk, collateral valuation, estimates of recovery on default and determination of the impairment; • Together with our experts, and based on our risk assessment, we have audited the underlying models including the model approval and validation process. We have challenged, the methodologies applied by using our industry knowledge and experience, focusing on potential changes since the implementation of IFRS 9 including the adequacy of macro economic assumptions used in the forward looking scenario; • We have assessed the appropriateness of impairments on loans on an individual basis: we verified that a periodic review of the counterparties under surveillance was carried out and assessed, on the basis of samples, the assumptions and data used by management to estimate the impairments; • Finally, we assessed the completeness and accuracy of the disclosures and determined whether the disclosures are in compliance with the requirements of the IFRS as adopted by the European Union.
Valuation of goodwill and of goodwill embedded in investments consolidated by applying the equitymethod The Company's 31 December 2024 consolidated accounts show a 'Goodwill' caption amounting to 880 million EUR, and an 'Equity-method investments' caption of 3 081 million EUR. These intangible and financial assets have arisen as a result of the acquisitions of some of BNP Paribas Fortis SA/NV's (direct and indirect) subsidiaries in the current and previous accounting periods. The IFRS standards prescribe that goodwill is subject to an annual impairment assessment. We identified these intangible and financial assets and the embedded goodwill included in the equity-method consolidated investments as a Key Audit Matter due to the significance of the balance and because the impairment assessment requires significant judgement of management with regards to the valuation methodology applied and the underlying assumptions used, mainly those relating to the ability to generate future free cash flows, and to the discount factor applied to these cash flows, taking into account the appropriate risk factors. We refer to the consolidated accounts, including the Note 4.m 'Goodwill', the Note 4.k 'Equity-method investments' and the Note 7.c 'Minority Interests'.	We focused our audit effort on (i) the valuation models used for the valuation of the underlying business, (ii) the appropriateness of the discount rates and terminal growth rates used in the models and (iii) the future cash flow forecasts: • Together with our valuation experts, we have assessed the appropriateness of the valuation methods used by management and discussed the underlying hypotheses to the use of these models with management; • We have evaluated the governance process over the future cash flow forecasts used for the valuations, i.e. the development and approval of the financial plan and management's annual comparison of previous forecasts to actual performance; • Based on our risk assessment, together with our valuation experts, we challenged the main management's assumptions in their forecasts such as the long-term growth rates and the discount rates. We challenged management on the adequacy of their sensitivity calculations; • Finally, we assessed the completeness and accuracy of the disclosures and assessed the compliance of the disclosures with the requirements of the IFRS as adopted by the European Union.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>Estimation uncertainty with respect to the valuation of financial instruments accounted for at fair value defined as Level 3

The economic conditions impact the fair value measurements of financial instruments. Valuation techniques and models used for certain financial instruments are inherently subjective and involve various assumptions regarding pricing. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value. Furthermore, market value adjustments (reserves) are recognized on all positions measured at fair value with fair value changes reported in the income statement or in equity.

The IFRS require the use af fair value for the determination of the carrying amount of many assets and liabilities, and generally require the disclosure of the fair value of those items not valued at fair value. Financial instruments defined as Level 3 within the group's IFRS 13 fair value hierarchy disclosure present a higher exposure to risk of incorrect valuation.

The consolidated accounts show Instruments at fair value through profit or loss not held for trading for an amount of 1 079 million EUR and Financial assets at fair value through equity for an amount of 85 million EUR.

As the use of different assumptions could produce different estimates of fair value and considering the significance of fair values in the determination of the carrying amount of certain balance sheet captions and of the result, we consider this a Key Audit Matter.

Please refer to Notes 4.d 'Measurement of the fair value of financial instruments' and 1 'Summary of significant accounting policies applied by BNP Paribas Fortis'.</td><td>• We obtained an understanding of the internal control framework related to the valuation of financial instruments, including price testing, model validation and value adjustments (value allowances) methodologies. On a cyclical basis, we tested the design and operating effectiveness of those controls we assessed to be key for our audit;
• We assessed and challenged the appropriateness of the model validation methodology with the assistance of our valuation experts and we performed a recalculation of the fair valuation on a sample basis. This includes the assessment of market data, inputs and key assumptions as critical factors used in the fair value models, based on our experience and market practice;
• Finally, we assessed the completeness and accuracy of the disclosures relating to the fair values of these financial instruments to determine compliance with the disclosure requirements of the IFRS as adopted by the European Union.</td></tr>
<tr><td>General IT Controls

The reliability and security of IT systems plays a key role in the preparation of BNP Paribas Fortis SA's consolidated financial statements.

We deemed the assessment of the general IT controls of the infrastructures and applications that contribute to the preparation of accounting and financial information to be a key audit matter.

In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to application settings or underlying data.</td><td>For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work consisted primarily in:
• obtaining an understanding of the systems, processes and controls which underpin accounting and financial data;
• assessing the general IT controls (application and data access management, application changes/ developments management and IT operations management) on key systems (in particular accounting, consolidation and automatic reconciliation applications);
• examining the control for the authorisation of manual accounting entries;
• performing , where appropriate, additional audit procedures and alternative to ensure the reaching of the objectives of the controls;
• taking into account the cybersecurity risk.</td></tr>
<tr><td>Valuation of the residual value of of vehicles given for lease

The residual values of the vehicles making up the group's fleet are defined at the start of the leasing contracts. At each closing date, they are reviewed in order to obtain an estimate close to the estimated resale value of the vehicle. The methods for determining these residual values are common to all group entities. These estimates are based on a statistical model based on historical used vehicle sales data while taking into account the specific context of the different geographic areas.
In an environment still marked by significant uncertainty linked to the macro-economic context and to the technological changes in the automobile market, the group has observed a reduction in vehicle delivery times as well as a decrease in resale values. In the same way, the automobile market is gradually transforming towards the electrification of vehicles driven by changes in regulations which are moving. These changes led management to make estimate adjustments intended to maintain the consistency of the data included in the models.
The residual value estimated during the fleet revaluation process may be different from the initial residual value, which may lead to an adjustment of the depreciation of the vehicles over the remaining duration of the contract.
We considered that the revaluation of residual values is a key point of the audit due to the fact that it is based on the estimation of the resale values of the vehicles recorded on the balance sheet, that it is based on a statistical model and that it incorporates assumptions based on the judgment of management.</td><td>We appreciated the relevance of the group's internal control system which governs the estimates contributing to the determination of residual values and in particular its adaptation to the evolving context. We reviewed the system which led to adjusting the models according to market developments and changes in regulations. On a sample of the fleet, we reviewed the controls relating to the revaluation of residual values while integrating the new hypotheses and parameters which served as the basis for the model.

With the help of our experts, we examined the relevance of the statistical model implemented as well as the main parameters. Our work also consisted, by sampling, to:
• Reperform the consistency of data from revaluation models through a data analysis approach;
• Compare the correspondence between the accounting information and that from the fleet management system;
• Check that the estimates used are based on documented methods that comply with the principles described in the appendix.</td></tr>
</table>

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, including the sustainability statement and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

The annual report contains the sustainability statement which is the subject of our separate limited assurance report on the sustainability statement. This section does not pertain to the assurance on the consolidated sustainability statement included in the annual report. For this part of the annual report on the consolidated financial statements, we refer to our report on the matter.

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

- The Statement of the Board of Directors
- The Risk Management and Capital Adequacy chapter; and
- The other information chapter

are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the official languages version of the digital consolidated financial statements included in the annual financial report of BNP Paribas Fortis SA/NV as of 31 December 2024 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Zaventem, on 28 March 2025.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Yves Dehogne

BNP PARIBAS FORTIS ANNUAL REPORT 2024 (NON-CONSOLIDATED)

Report of the Board of Directors

In conformity with Article 3:32 of the Belgian companies' and associations' Code and to avoid repetition, BNP Paribas Fortis has combined the non-consolidated report and the consolidated report of the Board of Directors. The consolidated report of the Board of Directors can be found at the beginning of this annual report.

Comments on the evolution of the balance sheet

The **total balance sheet** as of 31 December 2024 amounted to 266.9 billion euros, up by 11.4 billion euros or 4% compared with 31 December 2023. As of 31 December 2024, the yield on assets was 1%. After the closure of its foreign branch in Madrid, BNP Paribas Fortis has still one foreign branch, located in New York.

The comparison between the 2024 and 2023 was impacted by the merger between BNP Paribas Fortis and bpost bank (merger by absorption). Excluding the impact of the merger, the total balance sheet would have increased by 0.9 billion euros. In the below comments, we will highlight for the material captions the impact of the merger on the balance sheet.

Assets

Cash in hand, balances with central banks and giro offices (Heading I) and Amounts receivable from credit institutions (Heading III) decreased by (10.7) billion euros and stood at 32.8 billion euros. This decrease is mainly linked to a decrease in the overnight deposit to the National Bank of Belgium partly offset by an increase in the reverse repo activity.

Amounts receivable from customers (Heading IV) increased by 18.9 billion euros and stood at 161.0 billion euros as of 31 December 2024. Excluding the impact of the merger with bpost bank, the amounts receivable from customers would have increased by 9.9 billion euros.

In Belgium, the amount of term loans increased by 8.5 billion euros, spread over different type of loans such as investment loans and funding given to subsidiaries.

Bonds and other fixed-income securities (Heading V) stood at 51.4 billion euros as of 31 December 2024, up by 4.2 billion euros. Excluding the impact of the merger with bpost bank, bonds and other fixed-income securities would have increased by 2.5 billion euros.

The amount of 51.4 billion euros consists mostly of bonds issued by public bodies (15.5 billion euros, up by 2.2 billion euros compared with 2023 mainly following additional investments in government bonds), by 'Special Purpose Vehicles' and by other issuers.

Financial fixed assets (Heading VII) amounted to 8.2 billion euros as of 31 December 2024, a decrease of (0.8) billion euros compared to December 2023. This decrease is mainly due to the disappearance of the bpost bank's participation as a result of the merger.

Formation expenses and intangible fixed assets (Heading VIII) amount to 4 million euros as of 31 December 2024.

Tangible fixed assets (Heading IX) amounted to 0.9 billion euros as of 31 December 2024, in line with the situation at the end of 2023.

Other assets (Heading XI) stayed stable at 1.8 billion euros as of 31 December 2024. They consist mainly of transitory accounts and other debtors.

Deferred charges and accrued income (Heading XII) stood at 10.8 billion euros as of 31 December 2024, down by (0.3) billion euros compared to 31 December 2023.

Liabilities and Equity

Amounts owed to credit institutions (Heading I) totalled 43.3 billion euros as of 31 December 2024, down by (10.1) billion euros compared with 31 December 2023. The evolution is mainly attributable to the decrease of repos activity.

Amounts payable to clients (Heading II) stood at 158.5 billion euros as of 31 December 2024, up by 10.1 billion euros compared to 31 December 2023. Excluding the impact of the merger with bpost bank, the amounts payable to clients increased by 0.3 billion euros.

Debts evidenced by certificates (Heading III) amounted to 21.2 billion euros as of 31 December 2024, representing an increase of 6.3 billion euros mainly due to the issuance of saving certificates and debt securities partly compensated by reimbursements.

Other liabilities (Heading IV) stood at 3.4 billion euros, down by (4.1) billion euros compared with 31 December 2023. This decrease is mainly due to the payment of the dividend of 2,8 billion euros on the financial result of 2023 in April 2024.

Accrued charges and deferred income (Heading V) stood at 10.3 billion euros stable compared with 31 December 2023.

Subordinated liabilities (Heading VIII) stood at 10.3 billion euros as of 31 December 2024 and increased by 6.9 billion euros due to the issuance of Tier 1 and 2 notes

Shareholders' equity (Headings IX, X, XI, XII and XIII) stood at 19.4 billion euros as of 31 December 2024, up by 2,4 billion euros compared with 31 December 2023.

This increase is explained by the appropriation of the result for the financial year 2024.

Comments on the evolution of the income statement

BNP Paribas Fortis realized a **net profit** of the year 2024 of 2,437 million euros, compared to 2,584 million euros in 2023, or a decrease of (147) million euros.

The comparison between the 2024 and 2023 was impacted by the merger between BNP Paribas Fortis and bpost bank (merger by absorption). Excluding the impact of the merger, the net profit of the year would have decreased by (230) million euros. In the below comments, the impact of the merger will be highlighted for material captions.

The interest margin (Headings I and II) amounted to 2,774 million euros in 2024, up by 130 million euros compared to 2023. Excluding the impact of the merger with bpost bank, the interest margin decreased by 192 million euros.

The negative impacts are linked to the strong pressure on margins on loans (despite increasing volumes), lower margins on deposits with lower deposit volumes driven by the negative impact of the issuance of a Belgian government bond in the third quarter of 2023, and the non-remuneration of the mandatory reserves.

Income from variable-yield securities (Heading III) amounted to 1,120 million euros in 2024, down by 81 million euros compared to 2023, mainly due to a decrease in dividends received from enterprises linked by participating interests.

Commissions (Headings IV and V) amounted to 1,019 million euros in 2024, down by (54) million euros compared to 2023. Excluding the impact of the merger with bpost bank, the commissions decreased by (28) million euros. This is mainly due to higher financial fees more than compensated by lower banking fees.

Profit on financial operations (Heading VI) amounted to 149 million euros, down by (31) million euros compared to previous year, mainly due to the disposal of variable and fixed income securities.

General administrative expenses (Heading VII) came to (2,429) million euros, a decrease of 88 million euros compared to 2023. Excluding the impact of the merger with bpost bank, the decrease was 181 mIllion euros.

In Belgium, staff expenses decreased as the increase of salaries and wages due to inflation was more than offset by the decrease of pension expenses.

Other administrative expenses decreased by 76 million euros compared to previous year.

Excluding the impact of the merger with bpost bank, the decrease was 135 million euros. This evolution is mainly attributable to the decrease in the banking taxes and other marketing expenses and professional fees.

Depreciation and amounts written off on formation expenses, intangible and tangible fixed assets (Heading VIII) amounted to (48) million euros compared to (49) million euros in 2023.

Amounts written off on the amounts receivable and the investment portfolio (Headings IX and X) totalled (89,6) million euros, compared to (12,2) million euros in 2023 due to an increase in provisioning in specific files.

Provisions for risks and charges (Headings XI and XII) showed a net dotation of 66 million euros in 2024 against a net release of (12,1) million euros in 2023.

The fund for general banking risks (Heading XIII) showed a release of 88 million euros in 2024 compared to a release of 459 million euros in 2023. The Fund covers since 2023 the expected credit losses on the credit portfolio and bonds that are not considered credit impaired or doubtful.

Other operating income (Heading XIV) amounted to 188 million euros in 2024, up by 9 million euros compared to previous year. Excluding the impact of the merger with bpost bank, the other operating income decreased by (22) million euros.

Other operating charges (Heading XV) amounted to (475) million euros in 2024, up by 87 million euros compared to 2023. Excluding the merger with bpost bank, the other operating charges increased by 46 million euros. This is mainly attributable to the increase of the new single banking tax.

Extraordinary income (Heading XVII) came to 346 million euros in 2024, up by 305 million euros compared to 2023. This evolution can be explained by the net impact from the merger of bpost bank for an amount of 299 million euros in the beginning of 2024.

Extraordinary charges (Heading XVIII) came to (74) million euros in 2024, An increase by (45) million euros compared to 2023 due to write down of financial fixed assets.

Income taxes (Heading XX) amounted to (197) million euros in 2024, an increase by (12) million euros compared to 2023. Excluding the merger with bpost bank, the income taxes decreased by 24 million euros.

Proposed appropriation of the result for the accounting period

Profit for the year for appropriation	EUR	2,436.9	million
Profit brought forward from the previous year	EUR	3,465.9	million
Profit to be appropriated	EUR	5,902.8	million
Profit to be carried forward	EUR	5,885.4	million
Dividend	EUR	-	million
Other allocations*	EUR	17.4	million

* *This amount represents the profit bonus of 2.5% which is calculated on the individual annual remuneration of the employees of BNP Paribas Fortis NV/SA in accordance with the Law of May 22nd 2001 (Law concerning the employees participation in the capital of companies and on the set up of a profit bonus for the employees).*

Information regarding related party transactions

Board of Directors' Procedure

Background

Article 7:97 of the Code on companies and associations imposes a specific procedure for listed companies in the context of transactions between related parties. Even if this provision does not apply to BNP Paribas Fortis, its Board of Directors, upon advice of the GNC and in line with its internal governance principles, adopted on 15 December 2011 a 'Board of Directors' Procedure for intra-group transactions' (the 'Procedure') that is inspired on, but not identical to article 7:97 of the Code on companies and associations.

In the course of 2024 no transaction required the application of this 'Procedure'.

BNP PARIBAS FORTIS FINANCIAL STATEMENTS 2024 (NON-CONSOLIDATED)

BALANCE SHEET AFTER APPROPRIATION

In thousands of euros		Codes	Current period	Previous period
ASSETS				
I.	**Cash in hand, balances with central banks and giro offices**	**10100**	**409,323**	**1,235,303**
II.	**Government securities eligible for refinancing with the central bank**	**10200**	**-**	**-**
III.	**Amounts receivable from credit institutions**	**10300**	**32,428,030**	**42,302,964**
	A. At sight	*10310*	*13,990,349*	*22,357,348*
	B. Other amounts receivable (at fixed term or period of notice)	*10320*	*18,437,681*	*19,945,616*
IV.	**Amounts receivable from customers**	**10400**	**160,960,138**	**142,090,886**
V.	**Bonds and other fixed-income securities**	**10500**	**51,354,027**	**47,118,873**
	A. Issued by public bodies	*10510*	*15,529,161*	*11,687,511*
	B. Issued by other borrowers	*10520*	*35,824,866*	*35,431,362*
VI.	**Shares and other variable-yield securities**	**10600**	**42,913**	**51,557**
VII.	**Financial fixed assets**	**10700**	**8,151,861**	**8,958,311**
	A. Participating interests in affiliated enterprises	*10710*	*5,348,925*	*5,665,280*
	B. Participating interests in other enterprises linked by participating interests	*10720*	*2,585,380*	*2,576,983*
	C. Other shares held as financial fixed assets	*10730*	*162,272*	*158,453*
	D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests	*10740*	*55,284*	*557,595*
VIII.	**Formation expenses and intangible fixed assets**	**10800**	**4,265**	**5,576**
IX.	**Tangible fixed assets**	**10900**	**884,966**	**919,259**
X.	**Own shares**	**11000**	**-**	**-**
XI.	**Other assets**	**11100**	**1,834,947**	**1,741,918**
XII.	**Deferred charges and accrued income**	**11200**	**10,816,362**	**11,072,656**
TOTAL ASSETS		19900	266,886,832	255,497,303

In thousands of euros	Codes	Current period	Previous period
LIABILITIES			
BORROWINGS	**201/208**	**247,458,547**	**238,488,477**
I. Amounts owed to credit institutions	**20100**	**43,256,933**	**53,398,403**
A. At sight	*20110*	*730,444*	*873,068*
B. Amounts owed as a result of the rediscounting of trade bills	*20120*	-	-
C. Other debts with agreed maturity dates or periods of notice	*20130*	*42,526,489*	*52,525,335*
II. Amounts payable to clients	**20200**	**158,534,526**	**148,407,754**
A. Savings deposits	*20210*	*67,766,651*	*61,834,454*
B. Other debts	*20220*	*90,767,875*	*86,573,300*
1. At sight	*20221*	*65,017,892*	*61,411,797*
2. At fixed term or period of notice	*20222*	*25,749,983*	*25,161,503*
3. As a result of the rediscounting of trade bills	*20223*	-	-
III. Debts evidenced by certificates	**20300**	**21,227,854**	**14,939,355**
A. Debt securities and other fixed-income securities in circulation	*20310*	*17,067,579*	*10,766,266*
B. Other	*20320*	*4,160,275*	*4,173,089*
IV. Other amounts payable	**20400**	**3,350,665**	**7,439,045**
V. Accrued charges and deferred income	**20500**	**10,266,730**	**10,240,402**
VI. Provisions and deferred taxes	**20600**	**139,165**	**219,415**
A. Provisions for risks and charges	*20610*	*139,165*	*219,415*
1. Pensions and similar obligations	*20611*	-	-
2. Fiscal charges	*20612*	-	-
3. Other risks and charges	*20613*	*139,165*	*219,415*
B. Deferred taxes	*20620*	-	-
VII. Fund for general banking risks	**20700**	**356,174**	**412,602**
VIII. Subordinated liabilities	**20800**	**10,326,500**	**3,431,500**
SHAREHOLDERS' EQUITY	**209/213**	**19,428,285**	**17,008,826**
IX. CAPITAL	**20900**	**10,964,768**	**10,964,768**
A. Subscribed capital	*20910*	*10,964,768*	*10,964,768*
B. Uncalled capital (-)	*20920*	-	-
X. Share premium account	**21000**	**940,582**	**940,582**
XI. Revaluation surpluses	**21100**	**-**	**-**
XII. Reserves	**21200**	**1,637,546**	**1,637,546**
A. Statutory reserve	*21210*	*1,096,477*	*1,096,477*
B. Reserves not available for distribution	*21220*	*36,988*	*36,988*
1. In respect of own shares held	*21221*	-	-
2. Other	*21222*	*36,988*	*36,988*
C. Untaxed reserves	*21230*	*150,790*	*150,790*
D. Reserves available for distribution	*21240*	*353,291*	*353,291*
XIII. Profits (losses (-)) brought forward (+)/(-)	**21300**	**5,885,389**	**3,465,931**
TOTAL LIABILITIES	29900	266,886,832	255,497,303

INCOME STATEMENT (presentation in vertical form)

In thousands of euros			Codes	Current period	Previous period
I.	**Interest receivable and similar income**		**40100**	**7,809,302**	**6,504,795**
	A. Of which: from fixed-income securities		*40110*	*1,049,475*	*820,703*
II.	**Interest payable and similar charges**		**40200**	**5,035,549**	**3,860,927**
III.	**Income from variable-yield securities**		**40300**	**1,120,070**	**1,200,569**
	A. From shares and other variable-yield securities		*40310*	*22,548*	*2,459*
	B. From participating interests in affiliated enterprises		*40320*	*899,371*	*972,610*
	C. From participating interests in other enterprises linked by participating interests		*40330*	*197,940*	*225,104*
	D. From other shares held as financial fixed assets		*40340*	*211*	*397*
IV.	**Commissions receivable**		**40400**	**1,559,025**	**1,535,349**
	A. Brokerage and related commissions		*40410*	*569,053*	*559,836*
	B. Management, consultancy and conservation commissions		*40420*	*411,706*	*401,530*
	C. Other commissions received		*40430*	*578,266*	*573,982*
V.	**Commissions paid**		**40500**	**539,568**	**461,417**
VI.	**Profit (loss) on financial transactions**	(+)/(-)	**40600**	**148,590**	**179,618**
	A. On trading of securities and other financial instruments		*40610*	*174,426*	*174,054*
	B. On disposal of investment securities		*40620*	*(25,836)*	*5,564*
VII.	**General administrative expenses**		**40700**	**2,429,197**	**2,517,629**
	A. Remuneration, social security costs and pensions		*40710*	*1,251,348*	*1,262,981*
	B. Other administrative expenses		*40720*	*1,177,849*	*1,254,648*
VIII.	**Depreciation/amortization of and other write-downs on formation expenses, intangible and tangible fixed assets.**		**40800**	**47,861**	**49,053**
IX.	**Decrease in write downs on receivables and in provisions for off-balance sheet captions 'I. Contingent liabilities' and 'II. Commitments which could give rise to a credit risk'.**	(+)/(-)	**40900**	**113,358**	**20,387**
X.	**Decrease in write-downs on the investment portfolio of bonds, shares and other fixed-income or variable-yield securities.**	(+)/(-)	**41000**	**(23,714)**	**(8,197)**
XI.	**Utilization and write-backs of provisions for liabilities and charges other than those included in the off-balance sheet captions.**	(+)/(-)	**41100**	**(79,526)**	**(27,623)**
XII.	**Provisions for risks and charges other than those included in the off-balance sheet captions.**		**41200**	**13,776**	**39,691**
XIII.	**Transfer from (Appropriation to) the fund for general banking risks.**	(+)/(-)	**41300**	**88,348**	**459,079**
XIV.	**Other operating income**		**41400**	**188,368**	**178,970**
XV.	**Other operating charges**		**41500**	**475,132**	**387,886**
XVI.	**Profits (losses) on ordinary activities before taxes.**	(+)/(-)	**41600**	**2,362,502**	**2,757,210**

In thousands of euros			Codes	Current period	Previous period
XVII.	**Extraordinary income**		**41700**	**345,544**	**40,173**
	A. Adjustments to depreciation/amortization of and to other write-downs on intangible and and tangible fixed assets		*41710*	*438*	*1,449*
	B. Adjustments to write-downs on financial fixed assets		*41720*	*36,867*	*29,421*
	C. Adjustments to provisions for extraordinary risks and charges		*41730*	*-*	*-*
	D. Capital gains on disposal of fixed assets		*41740*	*308,239*	*9,302*
	E. Other extraordinary income		*41750*	*-*	*-*
XVIII.	**Extraordinary charges**		**41800**	**74,220**	**29,031**
	A. Extraordinary depreciation/amortization of and extraordinary write-downs on formation expenses and intangible and tangible fixed assets		*41810*	*-*	*-*
	B. Write-downs on financial fixed assets		*41820*	*65,281*	*10,704*
	C. Provisions for extraordinary risks and charges	*(+)/(-)*	*41830*	*-*	*-*
	D. Capital losses on disposal of fixed assets		*41840*	*8,939*	*13,466*
	E. Other extraordinary charges		*41850*	*-*	*4,861*
XIX.	**Profits (Losses) for the period before taxes**	**(+/-)**	**41910**	**2,633,826**	**2,768,351**
XIXbis.	**A. Transfer to deferred taxes**		**41921**	**-**	**-**
	B. Transfer from deferred taxes		**41922**	**-**	**-**
XX.	**Income taxes**	**(+)/(-)**	**42000**	**196,937**	**184,660**
	A. Income taxes		*42010*	*202,486*	*199,311*
	B. Adjustment of income taxes and write-back of tax provisions		*42020*	*5,549*	*14,651*
XXI.	**Profits (Losses) for the period**	**(+)/(-)**	**42100**	**2,436,889**	**2,583,691**
XXII.	**Transfer to (or from) untaxed reserves**	**(+)/(-)**	**42200**	**-**	**-**
XXIII.	**Profit (Losses) for the period available for appropriation**	**(+)/(-)**	**42300**	**2,436,889**	**2,583,691**

XVIII. STATEMENT OF CAPITAL AND SHAREHOLDING STRUCTURE

In thousands of euros	Codes	Current period	Previous period
A. Capital statement			
1. Shareholders equity			
a. Subscribed capital			
at the end of the previous financial year	20910P	xxxxxxxxxxxxxx	10,964,768
at the end of the financial year	(20910)	10,964,768	

	Codes	Amounts	Number of shares
Changes during the financial year			
b. Structure of the capital			
Categories of shares			
Common		10,964,768	565,194,208
Registered shares	51801	xxxxxxxxxxxxxx	565,021,816
Bearer and or dematerialized shares	51802	xxxxxxxxxxxxxx	173,392

	Codes	Uncalled capital	Called but unpaid capital
2. Capital not paid up			
a. Uncalled capital	(20920)	-	xxxxxxxxxxxxxx
b. Called but unpaid capital	51803	xxxxxxxxxxxxxx	-
c. Shareholders still owing capital payment			

	Codes	Current period
3. Own shares		
a. Held by the reporting institution itself		
* Amount of capital held	51804	-
* Corresponding number of shares	51805	-
b. Held by its subsidiaries		
* Amount of capital held	51806	-
* Corresponding number of shares	51807	-
4. Share issuance commitments		
a. Following the exercise of conversion rights		
* Amount of convertible loans outstanding	51808	-
* Amount of capital to be subscribed	51809	-
* Maximum corresponding number of shares to be issued	51810	-
b. Following the exercise of subscription rights		
* Number of subscription rights outstanding	51811	-
* Amount of capital to be subscribed	51812	-
* Maximum corresponding number of shares to be issued	51813	-
5. Authorized capital not issued	**51814**	**10,964,768**
6. Shares not representing capital		
a. Repartition		
* Number of parts	51815	-
* Number of votes	51816	-
b. Breakdown by shareholder		
* Number of parts held by the reporting institution itself	51817	-
* Number of parts held by its subsidiaries	51818	-

B. Shareholders structure of the institution at year end according to the notifications received by the institution

- Pursuant to article 7:225 and article 7:83 of the companies and associations Code;

- Pursuant to article 14, paragraph 4, of the law of 2 May 2007 on the disclosure of major shareholdings

or pursuant to article 5 of the Royal Decree of 21 August 2008 on the rules for certain multilateral trading facilities

After verification, BNP Paribas Fortis did not receive any notifications

OTHER INFORMATION

Monthly high and low prices for BNP Paribas Fortis shares at the weekly auctions in 2024

The monthly high and low prices for BNP Paribas Fortis shares at the weekly auctions of Euronext Brussels (Euronext Expert Market) in 2024 were as follows (in euros):

Month	Low	High
January	42.0	42.2
February	46.0	46.0
March	37.8	46.0
April	36.4	40.0
May	36.0	40.0
June	36.6	36.6
July	36.2	38.0
August	35.0	35.0
September	31.4	35.0
October	30.4	31.6
November	29.2	29.2
December	31.0	32.0

External functions held by directors and effective leaders on the 31st of December 2024 that are subject to a disclosure requirement

Pursuant to the Regulation of the National Bank of Belgium of 9 November 2021 on the exercise of external functions by managers and heads of independent control functions of regulated companies (*'Reglement van de Nationale Bank van België van 9 november 2021 met betrekking tot de uitoefening van externe functies door leiders en verantwoordelijken van de onafhankelijke controlefuncties van gereglementeerde ondernemingen' / 'Règlement de la Banque Nationale de Belgique du 9 novembre 2021 concernant l'exercice de fonctions extérieures par les dirigeants et responsables d'une fonction de contrôle indépendante d'entreprises réglementées'*) (the 'Regulation'),), the Board of Directors of BNP Paribas Fortis has adopted its 'Internal rules governing the exercise of external functions by effective leaders of BNP Paribas Fortis ('Internal Rules').

This Regulation, as well as the Internal Rules, stipulate a.o. that certain external functions held by the directors and effective leaders must be disclosed in the annual report.

The effective leaders of BNP Paribas Fortis are set forth in a list submitted to the Belgian National Bank, which is kept up to date in accordance with the applicable regulations. This list includes the members of the Executive Board of BNP Paribas Fortis, the CFO and the heads of its foreign branches.

According to the Regulation and the Internal Rules, the external functions subject to disclosure are the executive or non-executive directorships and the functions involving taking part in the management or running of a company, exercised by a board member or effective leader of BNP Paribas Fortis in a commercial company or in a company with a commercial legal form, in an undertaking with another Belgian or foreign legal form or in a Belgian or foreign public institution with an industrial, commercial or financial activity, apart from those exercised within the BNP Paribas group.

Name, Surname (Post) Company	Business Activity (Post)	Listed
Max JADOT (Chairman of the Board of Directors)		
Baltisse SA/NV	Investment Company (Non-executive director)	-
Sibelco SCR SA/NV	Mining company (Non-executive director and member of the Audit Committee)	-
Laurence de l'ESCAILLE (Independent director)		
Elia Group SA/NV	Electric power transmission (Independent director and member of the Nomination & Remuneration Committee)	Euronext Brussels
Elia Transmission Belgium SA/NV	Electric power transmission (Independent director, member of the Corporate Governance Committee and member of the Remuneration Committee)	-
Elia Asset SA/NV	Electric power transmission (Independent director, member of the Corporate Governance Committee and member of the Remuneration Committee)	-
Beyond Complexity BV	Consulting (Executive director)	-
Wouter DE PLOEY (Independent director)		
Unibreda SA/NV	Holding company (Non-executive director)	-
Vanbreda Risk & Benefits SA/NV	Insurance broker (Non-executive director and member of the Remuneration Committee)	-
Anne LECLERCQ (Independent director)		
WDP SA/NV	Logistics (Independent director, member of the Audit Committee and Remuneration and Nomination Committee)	Euronext Brussels
Fluxys Belgium SA/NV	Energy infrastructure (Independent director, member of the Audit and Risk Committee and Corporate Governance Committee)	-
Titia VAN WAEYENBERGE (Independent director)		
De Eik SA/NV	Investment company (Chairwoman of the Board of Directors and member of the Nomination and Remuneration Committee)	-
Paratodos SA/NV	Agribusiness (CEO and executive director)	-
Estancia Montania SA	Agribusiness (Non-executive director)	-
Ganadera El Roble SA	Agribusiness (Non-executive director)	-
Pikyry SA	Agribusiness (Non-executive director)	-
Industria San Cosme SA	Agribusiness (Non-executive director)	-
Zinner NV/SA	Real estate company (Non-executive director)	-
Tattersal Leasing SA	Leasing company (Non-executive director)	-
Indufin Investment fund SA/NV	Investment fund (Chairwoman of the Board of Directors)	-
Sandra WILIKENS (Executive director)		
Vanbreda Risk & Benefits SA/NV	Insurance broker (Non-executive director)	-

SUSTAINABILITY STATEMENTS

Introduction

The following chapters present BNP Paribas Fortis' sustainability statements in accordance with the publication requirements of the European Directive 2022/2464 of 14 December 2022 amending Regulation (EU) No. 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU as regards corporate sustainability reporting (also known as the Corporate Sustainability Reporting Directive or CSRD), as transposed into Belgian law. This directive aims to increase transparency in terms of corporate sustainability by imposing stricter environmental, social and governance (ESG) reporting requirements.

In particular, the CSRD requires a description of all material impacts, risks and opportunities (IROs) for BNP Paribas Fortis relating to sustainability issues. The double materiality assessment (DMA) identified the following material topics detailed in this report: climate change, own workforce, consumers and end-users, business conduct including market integrity and financial security, and cybersecurity.

WARNING RELATING TO THE SUSTAINABILITY STATEMENTS AND EXPLANATORY NOTE

These sustainability statements have been prepared in application of the CSRD (as transposed into Belgian law) and European sustainability reporting standards as applicable at the date of publication of these sustainability statements. Accordingly, only cross-cutting and topic-related standards have been adopted as of the date of this document. Despite the lack of industry standards in force, BNP Paribas Fortis has endeavoured to take into account the specific features of its business sector in order to provide the most relevant and accurate information possible.

Significance

These sustainability statements only contain information that, in the opinion of BNP Paribas Fortis, is of importance in relation to both the impacts of the bank's activities on the population and the environment, and the way in which sustainability issues affect the bank. The methodological choices made in the double materiality assessment of BNP Paribas Fortis' ESG topics are explained in this document. Some information collected by the bank has not been included in these sustainability statements because it is of minor importance, although it may remain relevant.

Use of assumptions and estimates

In a context where certain information, essentially relating to the BNP Paribas Fortis' value chain, is still hard to obtain or not sufficiently reliable, the preparation of these sustainability statements is partly based on reasonable assumptions and estimates in accordance with CSRD requirements. Some of those assumptions or estimates may present a high level of measurement uncertainty, and are presented to the extent that they provide useful and high-quality information. In that case, the associated narrative sets out the methods and definitions used, as well as any limitations and uncertainties surrounding them. The bank pays constant attention to the quality of the information published and so has referred, wherever possible, to European regulatory definitions and recognised standards to develop and present the information concerned. Where this was not possible, the information was prepared in good faith on the basis of internal definitions and estimates.

Forward-looking information

In accordance with the provisions of the CSRD, these sustainability statements contain forward-looking information that includes projections and estimates based on current opinions and assumptions regarding future events. No guarantee can be given with regard to these projections and estimates, which are subject to inherent risks and uncertainties, some of which are beyond the bank's control. They relate to matters including BNP Paribas Fortis, its subsidiaries and its investments, the development of the business activities of the bank and its subsidiaries, trends in the sector, future investments and acquisitions, changes in the economic, social, ecological and environmental situation and applicable regulations. In particular, due to these risks and uncertainties, forward-looking information should not be considered as a representation or guarantee by BNP Paribas Fortis or any other person that the bank will achieve its objectives, plans, targets or indicators within a given timeframe or that it will achieve them in the shortest possible time. Any forward-looking statement contained in these sustainability statements are made on the date of these sustainability statements. BNP Paribas Fortis does not undertake under any circumstances to publish any changes or updates to this forward-looking information, except where required by applicable regulations.

Inherent uncertainty in climate information

The information, data, indicators and methodologies used regarding climate change are constantly evolving. Climate indicators are complex and are based on many opinions and assumptions about climate policies, technologies and other uncertain or unknown factors. Any significant change in these variables could render the assumptions, and therefore the resulting climate indicators and data, incorrect. Consequently, the climate information contained in these sustainability statements, whether historical or prospective, presents an inherent uncertainty, which may make it less relevant for decision-making than historical financial data. Regarding greenhouse gas (GHG) emissions, there is a lack of standardisation and comparability of estimation and calculation methods due to the diversity of frameworks and methodologies available. The methodological choices used to prepare these sustainability statements are explained in this document. However, due to this lack of harmonisation, there is a risk that indicators may be overestimated or underestimated. Scope 3 emissions, in particular, covering emissions associated with the activities of clients to whom BNP Paribas Fortis provides financing, are subject to a high degree of measurement uncertainty. By definition, these issues result from the activities of the bank's customers and, unlike BNP Paribas Fortis' direct emissions, depend on external factors over which the bank has no control.

Information from third parties

Some statistical information and other data contained in this document comes from third-party sources. BNP Paribas Fortis accepts no responsibility for this information and makes no representations or warranties as to its accuracy, precision or completeness.

CONTENTS

BNP Paribas Fortis Sustainability statements

1 General disclosures

BNP Paribas Fortis prepares its sustainability statements on a consolidated basis. The scope of the reporting entities in the consolidated sustainability statements is the same as that of the consolidated financial statements prepared in accordance with international accounting standards: it includes BNP Paribas Fortis SA/NV and the entities it exclusively controls. The scope and accounting consolidation principles are presented in note 1.c 'Consolidation' and note 7.k 'Scope of consolidation' of the consolidated financial statements chapter of the BNP Paribas Fortis 2024 annual report.

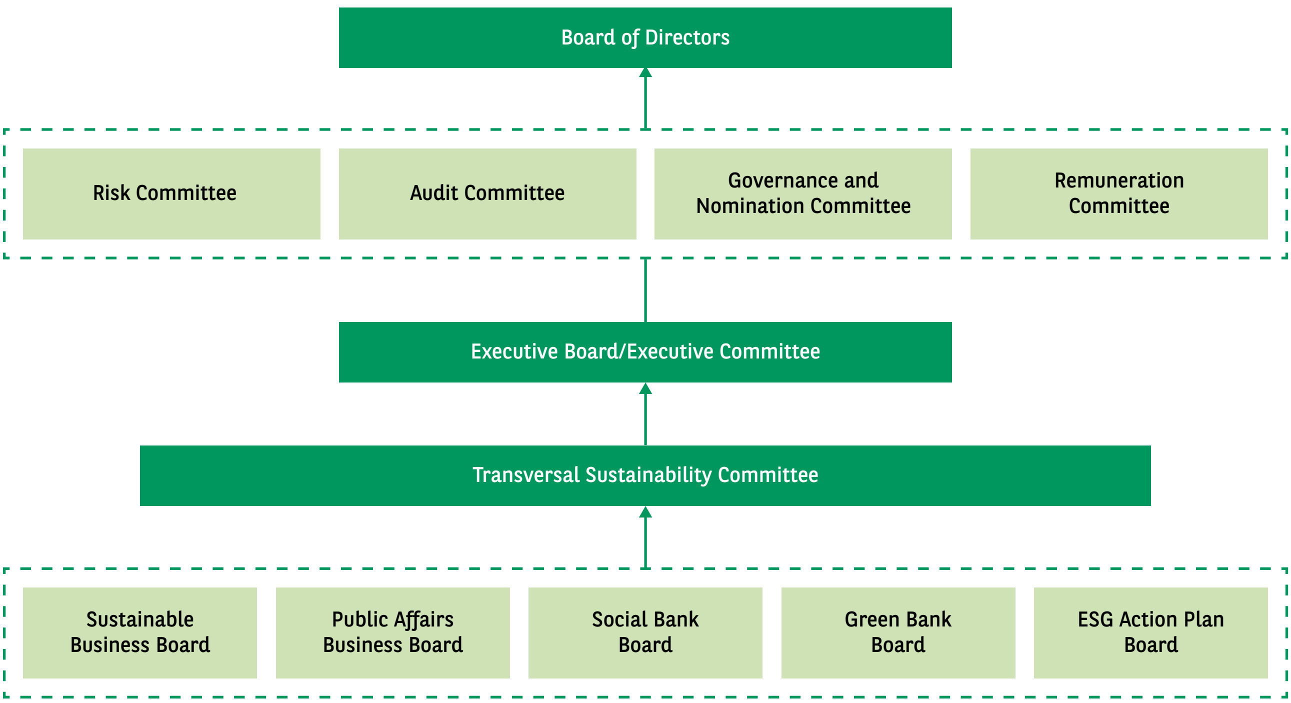
The sustainability statements cover the entire bank's value chain, i.e. its operational scope but also its upstream and downstream value chain. The BNP Paribas Fortis' value chain is described in this chapter section 1.b 'Strategy, business model and stakeholders'.

1.a Governance

1.a.1 The role of the administrative, management and supervisory bodies

The sustainability strategy is integrated at the highest level within the governance bodies. These bodies address the impacts, risks and opportunities related to ESG topics of all BNP Paribas Fortis' activities as part of their mandates as described in the following paragraphs.

FIGURE No.1: BNP PARIBAS FORTIS' GOVERNANCE IN RELATION TO THE SUSTAINABILITY STRATEGY



The Executive Board is informed via the committees and/or boards presented above, and via occasional meetings with the functions and business lines that monitor BNP Paribas Fortis' impacts, risks and opportunities. If necessary, it reports to the Board of Directors on sustainability matters.

Board of Directors

The Board of Directors determines BNP Paribas Fortis' business strategy and ensures its implementation by the Executive Board (consisting of five executive directors), in accordance with its corporate interests, taking into account ESG issues involved in BNP Paribas Fortis' activities.

The role of the Board of Directors is described in BNP Paribas Fortis' articles of association and in the Corporate Governance Charter[1].

On 31 December 2024, the Board of Directors was composed of 15 members, and was chaired by Mr Maxime Jadot. The composition and diversity of the Board of Directors is described in the chapter 'Governance Statement' of BNP Paribas Fortis' 2024 consolidated annual report.

With regard to impacts, risks and opportunities linked to sustainability and ESG topics, BNP Paribas Fortis relies on the BNP Paribas Group's risk strategy and policy. The Board of Directors of BNP Paribas Fortis is responsible for implementing the Group's policies and procedures, as well as local legal and regulatory standards on sustainability.

The BNP Paribas Fortis' Board of Directors, together with the Executive Board, monitors the bank's ESG issues.

The Board of Directors is informed of the progress made in the implementation of BNP Paribas Fortis' sustainability strategy. It meets a minimum of 12 times a year and as often as the circumstances or the interests of BNP Paribas Fortis require.

Within BNP Paribas Fortis, the Board of Directors monitors sustainability topics with support from each of the four specialised committees:

- The Risk Committee;
- The Audit Committee;
- The Governance and Nomination Committee;
- The Remuneration Committee.

The specialised committees of the BNP Paribas Fortis' Board of Directors

The Risk Committee

In 2024, legal and regulatory developments as well as legal risks concerning ESG topics were included in the regular legal risk report presented quarterly to the Risk Committee. The Committee reviews the overall risk strategy, including ESG aspects. ESG indicators are in implementation phase in the bank's Risk Appetite Statement (RAS) and the Risk Committee approves changes to the RAS before they are submitted to the Board of Directors.

The Risk Committee meets at least five times a year.

The Audit Committee

The Audit Committee assists the BNP Paribas Fortis' Board of Directors in the annual review of local adaptations made to the BNP Paribas Group's Code of Conduct and related policies. It also monitors the preparation of the CSRD report, ensuring that the information published in the sustainability part is reflected in the financial part.

The Audit Committee meets at least five times a year.

The Governance and Nomination Committee

Each year, the Governance and Nomination Committee assesses the skills of the Board members and checks their ESG knowledge. It also ensures diversification of the composition of the Board of Directors. In addition, the Governance and Nomination Committee reviews BNP Paribas Fortis' integrity policies annually and submits its conclusions to the Board of Directors.

The Governance and Nomination Committee meets at least four times a year.

The Remuneration Committee

The Remuneration Committee reviews BNP Paribas Fortis' remuneration policy annually and assists the Board of Directors in formulating any changes. As part of that work, it factors ESG objectives into the calculation of managers' variable remuneration (cfr. point 1.a.2 'Integration of sustainability-related performance in incentive schemes'). In addition, BNP Paribas Fortis implements the BNP Paribas Group's compensation policy.

The Remuneration Committee generally meets five times a year.

1 *Corporate Governance Charter*

Experience, skills and training of BNP Paribas Fortis' directors

All the directors have a diversity of skills, including skills related to sustainability issues, and experiences they have acquired throughout their professional careers. Summaries of their careers are available on the BNP Paribas Fortis' website[2].

The individual and collective expertise of BNP Paribas Fortis' Board members is ensured by regular suitability assessments conducted by the Governance and Nomination Committee. In addition, the supervisory authority is notified each time a director is appointed or has their term of office renewed, and assesses their appointment/reappointment in the light of the 'fit and proper person' criteria.

In general, the Board of Directors ensures that the directors maintain their knowledge in all areas related to the evolving strategy of BNP Paribas Fortis and BNP Paribas Group.

BNP Paribas Fortis devotes the necessary human and financial resources to the training of directors. They receive individual training as part of the induction programme following their appointment. They also receive regular (collective) training sessions from those responsible for the topics presented and regularly participate in strategic meetings. In those sessions, in-house experts give presentations on current sustainability topics.

In addition, all members of the Board of Directors received training focusing on ESG regulations in 2024. The Board of Directors may call on internal and external experts if necessary.

The main administrative, management and supervisory bodies are thus composed of people with the knowledge and skills suited to monitor BNP Paribas Fortis' material impacts, risks and opportunities.

Sustainability management bodies

The Executive Board implements the sustainability strategy and is accountable to the Board of Directors for it.

The Executive Committee, composed of the members of the Executive Board and certain other managers of functions and business lines, assists the Executive Board in fulfilling its role and responsibilities and advises it if necessary. Unless otherwise decided by the Executive Board, the Executive Committee is convened at the same time as the Executive Board.

The BNP Paribas Fortis' governance is overseen by a set of specialised bodies described below.

2 *Corporate Governance*

The Transversal Sustainability Committee

This body is responsible for the overall ESG strategy and ensures consistency between the five specialised bodies presented below. It establishes and maintains the BNP Paribas Fortis' Sustainability Dashboard and sustainability trajectory.

The Transversal Sustainability Committee reports directly to the BNP Paribas Fortis' Executive Committee via the chairs of the five bodies, each of whom specialises in their own aspect of ESG. Each body is chaired by at least one member of the Executive Committee. In 2024, the Transversal Sustainability Committee met three times.

The Sustainable Business Board

This body is in charge of preparing the Sustainable Business Development Plan. It monitors key performance indicators, discusses possible corrective measures and future objectives, and consolidates business-line initiatives relating to sustainability.

The Sustainable Business Board is chaired by the Head of Corporate Banking, the Head of Affluent & Private Banking and the Head of Retail Banking and meets three to four times a year.

The Public Affairs Board

In sustainability-related matters, the Public Affairs Board focuses on dialogue and protecting BNP Paribas Fortis' interests with respect to the various external stakeholders, as well as on integrating stakeholder perceptions into BNP Paribas Fortis' strategy.

The Chief Compliance Officer (CCO) chairs the Public Affairs Board and meets generally five times a year.

The Social Bank Board

The Social Bank Board oversees and consolidates all BNP Paribas Fortis' commitments to society, including financial support to non-profit organisations, support for volunteering initiatives and donations in kind. It puts forward a clear and consistent strategy by specifically supporting non-profit organisations focusing on the inclusion of disadvantaged children and young people through educational projects.

The Social Bank Board is chaired by the Chief Operating Officer (COO) and meets twice a year.

The Green Bank Board

The Green Bank Board defines and implements action plans for each business line/support function in order to help reduce the carbon footprint of BNP Paribas Fortis' infrastructure and activities.

The Green Bank Board is chaired by the Chief Human Resources Officer (CHRO) and meets on a quarterly basis.

The ESG Action Plan Board

This body manages the implementation of the ESG Data Management initiative, as well as overseeing the ESG strategies of BNP Paribas Fortis' clients and monitoring their ESG risks.

It is chaired by the Chief Risk Officer (CRO) and the Chief Financial Officer (CFO) and meets once a month.

Monitoring and checking impacts, risks and opportunities

The BNP Paribas Fortis' Board of Directors is responsible for monitoring sustainability impacts, risks and opportunities.

The BNP Paribas Fortis' Executive Board relies on the control and supervisory bodies, and on the internal control system in place to control, manage, monitor and suggest objectives in terms of impacts, risks and opportunities. It reports to the Board of Directors.

The Executive Board of BNP Paribas Fortis is responsible for the internal control organisation and procedures and for all information required by law under the internal control report as described in the BNP Paribas Fortis' articles of association.

1.a.2 Integration of sustainability-related performance in incentive schemes

If they receive remuneration, the 10 non-executive members of the BNP Paribas Fortis' Board of Directors only receive fixed remuneration and attendance fees. They do not receive any variable remuneration.

The five executive members of the BNP Paribas Fortis' Board of Directors in Belgium, who also form the Executive Board, receive variable remuneration, which is partly based on sustainability-related criteria. Variable remuneration consists of two parts: a bonus and a loyalty plan.

- The bonus depends on predefined quantitative financial and operational targets and various qualitative targets. Those targets are validated to be in line with the strategic objectives of the company.
- The loyalty plan is for key BNP Paribas Group's employees, including executive members of the BNP Paribas Fortis' Board of Directors, and is based on specific sustainability objectives. The plan includes targets related to the four key aspects of the BNP Paribas Group's responsibility: economic, social, civic and environmental. Those targets include numerical climate objectives linked to helping customers with the transition to a low-carbon economy and reducing the bank's environmental footprint.

Between 3% and 5% of the total variable remuneration is determined by climate targets.

1.a.3 Risk management and internal controls over sustainability reporting

The internal control framework for sustainability reporting is mainly based on:

- A target operating model, which includes existing data production process flows, data collection governance arrangements and the RACI (Responsible, Accountable, Consulted, Informed) responsibility assignment matrix implemented under the CSRD;
- A monitoring process by function covering reporting, gap analysis between regulatory disclosure requirements and published sustainability information, and the validation and control framework based on generic controls applicable and certified by sustainability information sources. The Finance Department is the second line of defence.

Information relating to the main characteristics of BNP Paribas Fortis' internal controls is detailed in the chapter 'Corporate Governance Statement' of BNP Paribas Fortis 2024 consolidated annual report. The risk management system related to the sustainability reporting process follows the same process as the risk management system.

The Audit Committee monitors the process of preparing corporate sustainability reporting published under Directive (EU) 2022/2464. It examines issues relating to sustainability statements, including the double materiality assessment, the results of indicators and any issue likely to generate potential risks.

1.a.4 Statement on due diligence

BNP Paribas Group is subject to Law No. 2017-399 of March 27, 2017 on the duty of vigilance. This Law applies to the Group as a whole, including BNP Paribas Fortis. The Group publishes a vigilance plan every year in response of this legal obligation.

TABLE No. 1: KEY ELEMENTS OF DUE DILIGENCE

Key elements of due diligence	Sections in the sustainability statements
a) Integrate due diligence into governance, strategy and the business model	Chapter 1 'General disclosures' 1.a.1 'The role of the administrative, management and supervisory bodies' and 1.b.1 'Strategy, business model and value chain'
b) Dialogue with assigned stakeholders at all stages of the due diligence process	Chapter 1 'General disclosures' 1.b.2 'Stakeholder interest and views'
c) Identify and assess negative impacts	Chapter 1 'General disclosures' 1.c.1 'Description of the processes to identify material impacts, risks and opportunities'
d) Take action to address negative impacts	All 'Actions' or 'Management of Impacts, Risks and Opportunities' sections of the following chapters: 2 'Climate change', 4 'Own workforce', 5 'Consumers and end-users' and 6 'Business conduct'
e) Monitor the effectiveness of these efforts and communicate	Chapter 1 'General disclosures' 1.a.1 'The role of the administrative, management and supervisory bodies' and 1.b.1 'Strategy, business model and value chain'

1.b Strategy, business model and stakeholders

1.b.1 Strategy, business model and value chain

A diversified and integrated business model

BNP Paribas Fortis covers a wide range of activities being part of the Commercial, Personal Banking & Services (CPBS) and the Corporate & Institutional Banking (CIB) divisions of BNP Paribas Group:

- CPBS, which includes banking services provided to multiple types of clients, including individual clients, self-employed people and professionals, small and medium-sized enterprises, local businesses, large corporates, institutional clients and non-profit organisations;
- CIB, which provides sophisticated high-value financial services to corporations and institutional clients, with a focus on capital markets, mergers & acquisitions consulting and risk management.

BNP Paribas Fortis' integrated model is characterised by a broad diversification in terms of customer segments, geographies, sectors and business lines. The model results in a strong cohesion between the bank's business lines and improves their resilience.

The bank offers a wide range of financial solutions to private individuals, through its digital channels and an extensive network of branches, strengthened by the integration of bpost bank in Belgium. In addition, BNP Paribas Fortis has developed partnerships to meet its customers' key needs, for example to facilitate the purchase or renovation of energy-efficient properties.

The bank also maintains a strong presence in the corporate segment, providing both large companies and SMEs (small and medium-sized enterprises) with specialised financial services, including lending, leasing and investment products.

Companies (large and medium-sized) have access to dedicated products and services to support and accelerate their transition to a carbon-neutral model, such as specific financing products and support from the Sustainable Business Competence Centre (SBCC), as well as specialized teams of BNP Paribas Group such as the Low Carbon Transition Group and the Climate Analytics and Alignment team.

In a complex and often uncertain context, this integrated model allows customers to receive long-term support to realise their projects in particular their transition to a more sustainable business model through advice and products related specifically to that transition (for more information on the bank's business model, cfr. chapter 'Report of the Board of Directors', section 'Core businesses' of the BNP Paribas Fortis 2024 annual report.

BNP Paribas Fortis operates in an economic and financial environment that is very broad in scope, both in terms of financial activities and geographical presence, in Europe, the Middle East, Africa (EMEA), and Americas.

TABLE No. 2: EMPLOYEE BREAKDOWN BY GEOGRAPHICAL AREA

	2024	2023
EMEA	35,411	35,948
Americas	367	356
Total Employees	35,778	36,304

With its various entities and their human, financial and technical resources, BNP Paribas Fortis covers several sectors of activity by creating and distributing products and services, as presented in the following table. The table reflects the bank's organisation into two divisions (CPBS and CIB, shown on separate rows of the table), and anticipates the implementation of the regulatory nomenclature on sectors of activity (shown on separate columns of the table).

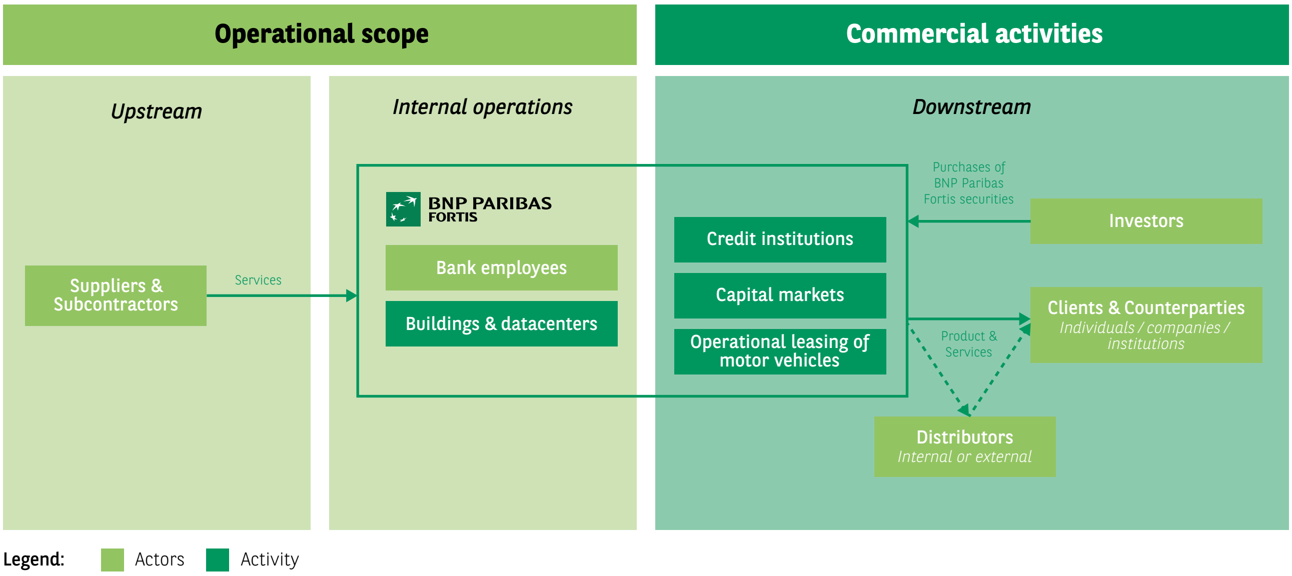
TABLE No. 3: PRESENTATION OF THE PRODUCTS AND SERVICES OF THE BANK'S OPERATING DIVISIONS ACCORDING TO THE NOMENCLATURE OF EUROPEAN ACTIVITIES

<table>
<tr><th>ESRS sectors</th><th>Credit institutions</th><th>Capital markets</th><th>Operational motor vehicle leasing</th></tr>
<tr><td rowspan="5">CPBS</td><td>Deposit-taking</td><td></td><td rowspan="5">Long-term vehicle rental (Arval)</td></tr>
<tr><td>Distribution of banking services (daily banking, cash management solutions)</td><td></td></tr>
<tr><td>Distribution of savings, investment (including life insurance) and pension solutions</td><td></td></tr>
<tr><td>Distribution of insurance products covering people and property</td><td></td></tr>
<tr><td>Distribution of financing solutions (loans, leasing, factoring)</td><td></td></tr>
<tr><td rowspan="4">CIB</td><td rowspan="2">Financial services (loans, bond issues, securitisation)</td><td>Primary and secondary activity in the fixed-income, foreign exchange, credit and commodity markets</td><td></td></tr>
<tr><td>Derivatives and equity services</td><td></td></tr>
<tr><td rowspan="2">Cash management for corporates and financial institutions</td><td>Mergers and acquisitions consulting</td><td></td></tr>
<tr><td>Brokerage, clearing and custody activities</td><td></td></tr>
</table>

These products and services are distributed in the downstream part of the BNP Paribas Fortis' value chain by specialised business lines (retail banking, for example), which therefore constitute the commercial activity within the bank's integrated model. The bank's upstream value chain and its internal operations constitute its operational scope, which is essential for the performance of its commercial activities.

The bank carried out a double materiality assessment on the value chain of its integrated model, through the direct business relationships (with customers and counterparties in particular) it maintains within the framework of its activities (operational scope and commercial activities with a priority placed on financing activities).

FIGURE No.2: THE VALUE CHAIN OF THE BNP PARIBAS FORTIS' INTEGRATED BUSINESS MODEL



This figure shows the bank's value chain without any distinction by activity or business line. It reflects the diversity of services offered to clients by the bank's various business lines, along with the scope of application of its sustainability policies. This value chain therefore includes non-bank subsidiaries and participations such as Arval (long-term vehicle rental) and AG Insurance (insurer).

Presentation of the sustainability strategy

BNP Paribas Fortis' sustainability strategy is to support all customers – individuals, companies and institutions – in their transition to a carbon-neutral economy that uses the planet's resources in a reasonable way and fosters the inclusion of those who are most fragile, while conducting business responsibly. To achieve this, the bank relies on all its employees.

The strategy is part of a continuous improvement process and aims to help building a more sustainable world while ensuring the stability and performance of the bank. This ambition is reflected in the GAS (Growth, Accessibility, Sustainability) strategic plan for Commercial and Personal Banking in Belgium (CPBS) being part of the wider BNP Paribas Group' GTS (Growth, Technology, Sustainability) strategic plan, of which sustainability is one of the three key pillars. The deployment of that plan involves all bank's business lines, functions, subsidiaries and geographies, and is supervised at the highest level of BNP Paribas Fortis as described above.

Objectives

BNP Paribas Fortis is concerned and contributes to seven of the quantitative objectives of the BNP Paribas Group's sustainability strategy. These objectives are linked to key performance indicators and reflect the ambition of BNP Paribas Group to cover broad areas such as the energy transition, social inclusion, employee trainings, etc. The indicators are listed in the Corporate Social Responsibility (CSR) dashboard (cfr. below) and enable BNP Paribas Fortis to monitor and assess the effectiveness of its sustainability strategy and efforts to accelerate the transition. These objectives are divided into four responsibilities:

- **Economic responsibility:** as a major provider of financing, BNP Paribas Fortis provides financial solutions dedicated to the transition, in particular through loans that the bank offers. It also fulfils its responsibility by promoting the best ethical standards and integrating the management of ESG issues in its risk management processes.
- **Social responsibility:** faced with the major societal, environmental and technological challenges of today, BNP Paribas Fortis has the responsibility, more than ever, to support its clients in their transition towards sustainable and practical solutions. To fulfill that responsibility, BNP Paribas Fortis places people at the heart of its strategy and aims to develop all the expertise that underpins its collective performance. This ambition is supported by the Group's People Strategy and is implemented by the Human Resources (HR) function within BNP Paribas Fortis, focusing on three key aspects: Ethics & Inclusion, Employee Experience and Human Capital.

- **Civic responsibility:** the bank wants to be a committed player in society. BNP Paribas Fortis is therefore developing actions to promote the financial inclusion of customers distant from banking services.
- **Environmental responsibility:** the main driver of the bank's action is supporting the environmental transition among participants in the economy. To this end, BNP Paribas Fortis directs the financing and investments the bank grants or facilitates towards creating an economy compatible with planetary boundaries, and supports the clients of its various operational entities with their environmental transition. The bank also takes action to reduce its direct environmental impacts, with the aim of continuously improving its own operations and involving its employees.

TABLE No. 4: CSR DASHBOARD

Responsibility	Indicator	Result 2024
Economic	Amount of sustainable loans (in billions of euro)	35.9
Social	Percentage of women among the Senior Management Positions (SMP) population	35%
	Number of solidarity hours performed by employees over two rolling years (#1MillionHours2Help)	66,165[3]
	Percentage of employees who completed at least four training courses in the year	99%
Civic	Number of beneficiaries of products and services promoting financial inclusion	3,301[4]
Environmental	Amount of support for customers in the transition to a low-carbon economy (in billions of euro)	16.5
	GHG emissions in tCO_2e per FTE	1.54

Dashboard definitions

Amount of sustainable loans: amount of loans at the end of the year drawn, identified as sustainable by an internal classification system and granted by the bank to its customers. The BNP Paribas Fortis' principles for classifying transactions are based on external standards such as those of the Loan Market Association, as well as on the substantial contribution criteria of the European Taxonomy. The BNP Paribas Group 2025 objective is to reach 150 billion euros of sustainable loans.

Percentage of women among the SMPs population : BNP Paribas Fortis SMP population consists of employees that are considered as having the greatest impact from a strategic, commercial, functional and expertise point of view. The percentage is calculated on the basis of the SMP positions occupied. The BNP Paribas Group 2025 objective is to reach 40% of women among the SMP.

Number of solidarity hours performed by employees: as part of the global solidarity programme #1MillionHours2Help, including long-term corporate volunteering. The BNP Paribas Group 2025 objective is to reach 1,000,000 hours.

Percentage of employees who completed at least four training courses in the year, including mandatory training courses, particularly related to compliance. The BNP Paribas Group 2025 objective is to reach 90% of employees who completed 4 training courses in the year.

Number of beneficiaries of products and services promoting financial inclusion: number of microStart accounts. The BNP Paribas Group 2025 objective is to reach 6 million of beneficiaries.

Amount of support for customers in the transition to a low-carbon economy: cumulative amount at year-end of financial support identified as contributing to the transition to a low-carbon economy according to an internal classification system. This amount partly overlaps with the amounts of sustainable loans. The BNP Paribas Group 2025 objective is to reach 200 billion euros of contribution.

GHG emissions in tCO_2e per full-time equivalent (FTE) (or in kWh for buildings and business travel): GHG emissions over one year in Scope 1 (direct emissions due to the combustion of fossil fuels), Scope 2 (indirect emissions due to the purchase of energy) and part of Scope 3 (emissions linked to employee business travel) divided by the number of employees on a FTE basis. The BNP Paribas Group 2025 objective is to reach 1.85 tCO_2e per FTE.

3 This figure includes BNP Paribas Fortis in Belgium, Arval and BGL.

4 This figure only represents the "MicroStart" beneficiaries contribution at Q3 2024 (reporting on running year from 1 October to 30 September). The number of Nickel accounts opened since the start of the offer on Belgian territory is not included in this result.

Implementation of the strategy in the business processes

BNP Paribas Fortis' sustainability strategy, which takes into account the bank's material impacts, risks and opportunities, is operationally deployed through the sustainability pillar of its own strategic plan. It is itself built around five priorities that seek to ensure that the bank supports more effectively the transition of its customers and society:

- **Responsible investments:** 'sustainability' is a broad and evolving concept. For investment products, BNP Paribas Fortis applies the following definitions: the investment products we consider responsible, take into account adverse ESG impacts. Some responsible products may also devote part of their assets to environmental and/or social objectives. When an investment product exclusively aims to achieve such an objective, we call it 'sustainable';
- **Sustainable real estate:** promote real estate that prioritises energy efficiency and/or responsible resource management;
- **Sustainable transition of companies:** support companies in improving their ESG performance;
- **Sustainable transport:** give priority to means of transport with lower GHG emissions, such as electric vehicles, active transport and/or public transport;
- **Social inclusion:** contribute to a fairer society, in particular by enabling access to banking services for as many people as possible and by taking into account the needs of vulnerable groups and minorities.

As part of its continuous improvement approach as regards its operational processes, BNP Paribas Fortis faces two particularly prominent challenges regarding sustainability issues:

- **Knowledge of clients' ESG risks:** the bank's clients' knowledge of their own risks is still fragmented. Therefore, the assessment of BNP Paribas Fortis' own impacts, risks and opportunities requires continuous improvement work;
- **Availability and reliability of ESG data:** the calculation of targets and indicators is hampered by the limited availability of ESG data and the variability of calculation methodologies used, including the ones used by our clients. As a result, it is necessary to use estimates, but this still raises the issue of data representativeness.

1.b.2 Stakeholder interests and views

Objectives of stakeholder dialogue

Dialogue with its stakeholders is an integral part of BNP Paribas Fortis' environmental and social responsibility.

The bank's commitment to maintaining an open and constructive dialogue with its stakeholders is intended first and foremost to better identify and understand the interests, views and expectations of its stakeholders, as well as the impacts of its activities.

This allows BNP Paribas Fortis to take those viewpoints into account in the development of its products and services, in line with the real needs of customers, the development of its businesses and the definition of its strategy.

This interaction also plays a key role in informing stakeholders of the bank's decisions and actions and explaining them, with a view to achieving transparency and clarity.

Key stakeholders

The bank identifies several groups of stakeholders of different types and with different levels of interaction. The broadest group comprises its customers (individuals, companies and institutions), employees, social partners, investors[5], suppliers, regulators and public authorities, and civil society organisations. Some of these stakeholders, with whom BNP Paribas Fortis has direct and regular communications, have been integrated into the double materiality assessment described below.

Organisation of stakeholder dialogue

BNP Paribas Fortis takes a structured approach to interact with its stakeholders and relies on several internal policies governing relationships with them, such as:

- The Policy for the Protection of Interests of Clients which defines the organisational and conduct rules that must be applied by BNP Paribas Fortis throughout the relationship with the customer, at all stages of the product and service life cycle (cfr. chapter 5. 'Consumers and end-users');
- The BNP Paribas Group's Sustainable Sourcing Charter, also adopted by BNP Paribas Fortis along with its Code of Conduct applying to suppliers and potential suppliers, including the Sustainable Sourcing Charter, which sets out the bank's ethical principles and commitments regarding its suppliers.

5 *Investors are BNP Paribas Fortis' shareholders, of which BNP Paribas Group accounts for 99,94%, the rest are individuals and legal entities.*

In addition, each type of stakeholder has contact persons identified within BNP Paribas Fortis, at the function or business line level. The bank therefore adapts and deploys several dialogue channels with its stakeholders, of which the main ones are listed below:

- Customers are in contact with dedicated BNP Paribas Fortis sales teams according to their profiles and needs. Their areas of interest and views are surveyed in particular as part of the Advocacy programme (e.g. via the Net Promoter Score explained in the 'Report of the Board of Directors' in the annual report, relationship surveys and transactional surveys), as described in chapter 5. 'Consumers and end-users', section 5.b.2 'Interaction with consumers and end-users regarding impacts';
- For employees and social partners, the BNP Paribas Fortis HR teams are the preferred points of contact. The interests and views of employees are collected through the surveys described below;
- For BNP Paribas Fortis' key suppliers and subcontractors, the Purchasing department organises regular follow-up meetings (as part of Supplier Relationship Management) to collect feedback and implement improvement plans;
- Regulatory bodies have regular discussions with various departments of the bank, including control functions, in accordance with the procedure relating to relations with regulatory authorities;
- Civil society and civil society organisations are linked to the Company Engagement and Communication teams and the business lines. Within BNP Paribas Fortis, the Public Affairs team focuses on relations with advocacy Non-Governmental Organisations (NGOs)

BNP Paribas Fortis listens to its employees. In particular, the bank relies on targeted surveys, social dialogue, internal networks initiated by its staff members and the whistleblowing platform.

BNP Paribas Group pulse surveys: measuring employee engagement and well-being

To get a better understanding of how engaged employees are, their adherence to the company's strategy and how they perceive management, and to measure their level of satisfaction and well-being at work, the BNP Paribas Group has regularly conducted relationship surveys that have been delegated to entities around the world since 2020. Those entities, including BNP Paribas Fortis, choose questions that are highlighted locally and draw up specific action plans. The Group also conducts a global survey every two years of all employees, including those of BNP Paribas Fortis, on the topics of Conduct and Inclusion. In 2024, 35,518 employees were surveyed within BNP Paribas Fortis. The participation score of BNP Paribas Fortis in Belgium was 88% and the global score including Arval, BGL, TEB, Leasing and BNP Paribas Fortis in Belgium was 82%.

BNP Paribas Fortis' Team Motivation Barometer TMB and ARPS-i[6] surveys in Belgium: assessing quality of life at work

To gauge more effectively the perceptions and opinions of BNP Paribas Fortis' employees in Belgium regarding their work, team, manager and bank, BNP Paribas Fortis conducts the Team Motivation Barometer (TMB) twice a year. In the last edition in May 2024, employees were also invited to share their experience of the Agile Way of Working, their vision of sustainable finance and their level of commitment to the bank's objectives, and 85% of employees took part.

In March 2023, BNP Paribas Fortis in Belgium also launched an ARPS-i survey (analysis of psychosocial risks, in collaboration with IDEWE[7]). This analysis makes it possible to detect and treat psychosocial risks at work, in order to strengthen and preserve employees' well-being and quality of life.

These two surveys – TMB and ARPS-i – resulted in an action plan for well-being within BNP Paribas Fortis in Belgium, focusing on six key priorities:

- Transparency of the remuneration system and employee benefits;
- Management and reduction of work-related pressure;
- Promotion of psychological safety;
- Management and reduction of disturbances;
- Promotion of empathetic leadership;
- Promotion and communication of career opportunities.

6 IDEWE's risk analysis of the psychosocial well-being of the workers.

7 The group IDEWE consists of the companies IDEWE and IBEVE. IDEWE is an external service for prevention and protection at work. IBEVE's core business is expertise in the environment and safety.

Social dialogue

Social dialogue is essential for BNP Paribas Fortis because it allows the interests and rights of employees to be integrated into its overall strategy. This commitment is reflected at European level in committees that promote social dialogue and globally with global agreements at BNP Paribas Group's level.

With regard to the staff representative body in Belgium, BNP Paribas Fortis' Workers Council is regularly informed of the bank's policy regarding ESG commitments.

At the European level, the Group created the European Committee[8] in 1996 to promote the exchange of information and dialogue. At the end of 2023, it covered 22 European countries and approximately 73% of the total workforce. Through this body, BNP Paribas has set up a consultation mechanism to ensure that the views of its employees are heard and taken into account. Thus, in 2024, progress on the implementation of the Group's strategic plan and the associated People Strategy was shared with the European Committee. Presentations and discussions took place about the Group's transport policy, the learning experience of employees and changes to customer offers. Several entities of the BNP Paribas Group, such as BNP Paribas Fortis, BGL BNP Paribas and Arval, are included in the scope of the European Committee. However, Türk Ekonomi Bankası (TEB) is not covered by the European Group Works Council.

Globally, social dialogue is guaranteed by the Global Agreement. Indeed, in continuation of the agreement entitled 'Fundamental Rights and Global Social Framework' (Global Agreement) of 2018, a new Global Agreement was signed for four years on 4 November 2024 between BNP Paribas Group and UNI Global Union, which represents the banking and insurance sectors, with the participation of the European Federation of Managers in the Banking Sector (FECEC), the European Group Committee and the two trade unions representing the Group in France. This new agreement strengthens the common social reference base for all Group employees in all countries regarding new ways of working, technological transformations, professional equality and the fight against discrimination, parenting support, health and well-being at work. The agreement also includes concrete and measurable commitments on human rights and fundamental rights at work, in particular the right to freedom of association and collective bargaining[9], in order to support the continued sustainable growth of the Group's activities and the development of satisfactory working conditions for employees. The new agreement will be implemented in all the Group's locations, enriching the common social reference base and improving the rights of employees in several countries with regard to local regulations. It will be monitored annually as part of a dedicated joint committee.

Networks initiated by employees

BNP Paribas Fortis' internal employee networks in Belgium promote diversity, inclusion and social well-being. They offer spaces for cross-functional and informal exchanges, and act as hubs for information and sources of innovation. In 2024, these networks organised numerous events on topics as varied as professional equality, sexual orientation, intergenerationality, parenthood, ethnocultural origins and disability.

BNP Paribas Fortis in Belgium has seven networks:

1. PRIDE - the network for LGBT people and their allies;
2. Friends of Africa - a multicultural network open to all;
3. MixCity - a mixed network aimed at raising the profile of women and fostering gender diversity at all levels;
4. O2 - a network by and for colleagues over 50;
5. Ability - a network created by and for all colleagues affected by a disability;
6. MiC – Managers in Connection: the bank's manager network;
7. 35Beaufort - a network by and for colleagues under 35.

Employees' right to speak up

BNP Paribas Fortis' employees have a right to speak up, allowing them to report serious rule breaches, threats to the general interest and violations of standards and regulations, including the BNP Paribas Fortis' Code of Conduct and internal procedures, in good faith. For more information on the whistleblowing system, cfr. chapter 6. 'Business conduct'. For more information on the right to whistleblowing and the protection of whistleblowers, cfr. chapter 4. 'Own workforce'.

8 Still including the UK post-Brexit.

9 In accordance with the 10 principles of the Global Compact, the 17 United Nations Sustainable Development Goals, the United Nations Guiding Principles on Business and Human Rights (UNGPs), Organisation for Economic Co-Operation and Development (OECD) guidelines, internationally accepted human rights standards as defined in the International Charter of Human Rights and the International Labour Organisation (ILO) Fundamental Labour Conventions on fundamental labour principles and rights.

Consideration of stakeholders

The interests and views expressed by internal stakeholders (employees and social partners) and external stakeholders (clients, investors, NGOs and regulators) feed into the bank's strategic discussions and decisions.

BNP Paribas Fortis is committed to involving its employees in developing its strategy, and uses tools that allow to listen regularly to its employees and their expectations in order to enhance its strategy and action plan.

Within BNP Paribas Fortis, HR strategy is based on the BNP Paribas Group's People Strategy, which was developed in 2021 and 2022 by employees of the Group's HR function. That strategy drew on input from a wide variety of employees from 40 countries, including for example Belgium. The aim of the strategy is to report on their expectations, particularly in terms of making improvements in terms of ethics and inclusion, the employee experience and skills development.

BNP Paribas Fortis, in particular with the support of the Company Engagement and Public Affairs teams, is in regular contact with several external stakeholders such as investors and NGOs. Their dialogue with stakeholders informed their work in developing the Sustainability component of BNP Paribas Fortis' strategic plan.

Under the CSRD, the interests and views of several key stakeholders (employees, clients, investors and NGOs) have been taken into account in carrying out the bank's double materiality assessment described in the next section.

Presenting the views and interests of stakeholders to BNP Paribas Fortis' governance bodies

The Board of Directors and the Executive Board of BNP Paribas Fortis are informed of stakeholders' views and interests regarding the company's sustainability impacts through the sustainable finance governance bodies and the bank's Company Engagement team.

In addition, the major sustainability topics addressed by investors, clients and NGOs, as well as interactions with those stakeholders, are regularly presented by the teams responsible for them within the Public Affairs Board, which reports twice a year to the BNP Paribas Fortis' Executive Board.

Presentations made by BNP Paribas Fortis' Executive Committee to employee representatives on the Workers Council and related bodies, such as technical committees, during monthly and annual consultations provide opportunities for discussion about the strategy in general, and also on the sustainability strategy (across all three ESG dimensions). These presentations allow members of the Workers Council to put questions to the Executive Committee, obtain answers to their questions and express their views and those of employees. Those views can then be taken into account by the Executive Committee when developing and implementing the strategy for the future.

1.c Material impacts, risks and opportunities

The activities of BNP Paribas Fortis' corporate clients are likely to be subject to negative impacts and risks. In order to limit and monitor these potential impacts and risks, the bank has put in place a comprehensive framework to identify them across all bank activities and across all ESG dimensions.

BNP Paribas Fortis integrates ESG risk controls into the process of entering into a business relationship and during the various stages of the relationship, such as Know Your Customer (KYC) recertification. BNP Paribas Fortis also integrates in the corporate financing process an ESG Assessment of corporate customers with over 50 million euro in turnover. This assessment includes a questionnaire and information on controversies, including climate-related factors. It also allows for a deeper understanding and documentation of the client's ESG knowledge (practices, maturity, risks, and potential impacts), and evaluates their compliance with the bank's sector policies.

The figure below summarises the whole ESG risk analysis framework used for BNP Paribas Fortis' clients.

FIGURE No.3: REPRESENTATION OF THE GLOBAL FRAMEWORK OF ESG RISK AND IMPACT MANAGEMENT

General approach

Corporate Finance

BNP Paribas Fortis Code of Conduct validated by the Board of Directors

Risk Appetite Framework

Risk management framework of the bank validated by Executive Management: culture of risk management and control, including BNP Paribas Fortis's environmental, social and governance (ESG) risks

Know Your Customer (KYC) process

Integration of the customer's ESG performance and risk analysis into the KYC process, when entering into a relationship with a business group and during the various stages of the relationship, such as the periodic KYC recertification of legal entities

ESG assessments

- Systematic identification, evaluation and monitoring of the ESG performance and risks of business clients to establish their ESG profile as part of the lending process and annual client review
- Initial assessment followed by regular assessments (frequency determined by the client's ESG risk level)
- Questionnaires covering ESG dimensions and integrating sector policies, supplemented by an analysis of ESG controversies

General credit policy

Systematic ESG analysis

Additional analysis

Restricted activities list

- Excluded goods and services (tobacco, asbestos etc.)

Watch list and exclusion list

- Companies that the bank does not want to finance or wants to monitor for ESG reasons

Sector policies

- Mandatory ESG criteria
- Additional assessment criteria

Ad hoc CSR analyses

Specific expert opinions on:

- Transactions
- And/or companies
- And/or sectors
- And/or controversies (relating to a sector
- and/or counterparties)

Project finance

- Application of the Equator Principles
- Systematic application of the Free, Informed and Prior Consent (FIPC) of local populations

Specific lending and rating policies

Analysis of all ESG elements

Outcome

Unsatisfactory evaluation results
Termination of the relationship

Interim evaluation results
Client placed on the watch list and subject to regular monitoring

Satisfactory evaluation results
Start or continuation of business relationship

1.c.1 Description of the processes to identify and assess material impacts, risks and opportunities

The bank was able to capitalize on the previously presented framework to conduct its double materiality assessment and identify material impacts, risks and opportunities on the bank's operational scope and commercial activities, by applying a number of detailed criteria and thresholds detailed below.

Structure of the double materiality assessment

BNP Paribas Fortis performed its double materiality assessment by following four successive steps to cover ESG topics:

1. Understand and define (i) the BNP Paribas Fortis' value chain, distinguishing between the two 'operational' and 'commercial activities' sub-scopes with a focus on financing activities, and (ii) the ESG sub-topics relevant to BNP Paribas Fortis. This led to the addition of two topics specific to the bank's activities, namely 'Market Integrity and Financial Security' and 'Cybersecurity';
2. Identify, within the two sub-scopes of the value chain, (i) stakeholders and (ii) impacts, risks and opportunities for each ESG sub-topic;
3. Assess, for the two sub-scopes of the value chain, the materiality of the impacts, risks and opportunities for each sub-topic on a scale of 1-Minimal to 5-Critical;
4. Determine, for the two sub-scopes of the value chain, the materiality threshold for impacts, risks and opportunities: if a topic has a score of '3-Important' or higher on at least one of the three dimensions, it is considered as material.

The double materiality assessment methodology is the same for all ESG topics, without distinction.

Impact materiality analysis: methodology

The methodology for identifying and assessing impacts is based on the number of requests made by major BNP Paribas Fortis' stakeholders, whose requests are available, reliable and centralised within BNP Paribas Group and therefore operationally usable for impact analysis. These requests are categorised by ESG sub-topics and mainly cover the bank's activities. The assessment of material impacts is carried out in two stages:

i. Requests from clients, investors and NGOs received between 2022 and 2023 and employees' views from a 2021 survey are assessed to determine the impact materiality score of each ESG sub-topic;

ii. Following an ESG topic analysis, an adjustment is applied based on internal documents, reputational risks and discussions with internal experts for each ESG sub-topic.

BNP Paribas Fortis assesses the impact materiality of each ESG sub-topic on a scale from 1-Minimal to 5-Critical, and considers an impact as material if it has a score of 3-Important or above. Using this scale allows the bank to identify the material impacts of its business model in response to stakeholder requests, using current tools and the current knowledge of internal experts.

It should be noted that:

- When assessing the bank's impacts, as it is not possible to differentiate between the timeframes of the identified impacts with a reasonable level of confidence, BNP Paribas Fortis has chosen to apply a conservative approach, considering all impacts as current.
- The bank engages with its stakeholders as described in section 1.b 'Strategy, business model and stakeholders' in this chapter.
- In order to avoid double counting in the identification of impacts, risks and opportunities, BNP Paribas Fortis' positive impacts linked to financial opportunities for the bank have been considered as opportunities, and are therefore identified and assessed as such.

Financial materiality analysis: methodology

Risk dimension

The risk identification and assessment methodology is based on the results of the bank's risk inventory process, Risk ID, which is designed to promote a forward-looking approach to risk identification by BNP Paribas Fortis. Every year, Risk ID contributors have access to an overview of the major global risks and additional internal studies on ESG risks. This overview is based on studies by international entities (World Bank, Organisation for Economic Co-Operation and Development (OECD), International Monetary Fund (IMF), reinsurers, etc.) dealing, among other things, with ESG topics (climate, nature, social and corruption in particular). Based on this documentation and their expertise, Risk ID contributors, along with risk experts in the bank's various business lines and entities, including the teams in charge of ESG risks and Compliance:

i. Identify risk events associated with different types of banking risks: credit, market, operational, reputational risks, etc;

ii. Link those risk events to various risk drivers, including ESG risk drivers[10];

iii. Assess the likelihood and severity of those risk events by estimating the potential expected loss.

On that basis, the potential expected losses are grouped by ESG risk driver and then compared on a scale of 1-Minimal to 5-Critical. This scale is calibrated in accordance with the annualised expected loss threshold, defined by BNP Paribas Fortis during the Internal Capital Adequacy Assessment Process (ICAAP). Risks related to ESG sub-topics are therefore defined as:

- Material (scores of 3-Important or above) for ESG risk drivers exceeding the annualised expected loss threshold;
- Non-material (scores of 1-Minimal or 2-Informative) for ESG risk drivers that do not exceed the annualised expected loss threshold.

It should be noted that:

- Risk ID contributors are invited to assess the relative materiality of the identified risk events over a timeframe of up to 30 years. Based on the 2024 risk inventory (available in early 2025), it will be possible to assess the materiality of short-term (1 year), medium-term (1 to 3 years) and long-term (3 to 30 years) ESG risk drivers.
- With regard to physical and transitional climate risks, Risk ID contributors can use the overview of major risks, incorporating the results of the various climate stress test exercises conducted by the BNP Paribas Group in collaboration with BNP Paribas Fortis.
  - Some exploratory analyses carried out on residential and commercial real estate portfolios take into account a set of acute hazards such as forest fires, drought, hail and coastal flooding. The study was based on the following climate scenarios: RCP[11] 4.5 and RCP 8.5 and SSP[12] 1-2.6 and SSP 5-8.5 by 2050;
  - A stress test exercise was carried out on residential and commercial real estate portfolios as part of the bank's ICAAP presentation, with a view to assessing the flood risk (rain and river), in a RCP 8.5 scenario (high emissions) by 2085;
  - The European Central Bank (ECB) stress test in 2022 aimed at identifying potential vulnerabilities related to climate transition risk, both in the short term in the event of a disruptive transition, and in the long term (30 years) according to the banks' strategic choices in the various scenarios;
  - BNP Paribas Fortis has identified economic activities that are incompatible with a transition to a low-carbon economy and that require significant efforts to be compatible in its stress tests, and this information is put into Risk ID. The basic assumptions for these exercises are presented in chapter 2. 'Climate change'. In addition, Risk ID contributors have (i) a sector heatmap of transition climate risks, (ii) countries' ESG ratings, including transition risks and (iii) a version of BNP Paribas' Net Zero objectives. The bank's risk inventory thus includes a number of significant scenarios relating to financial losses arising from a withdrawal from certain assets,

10 Cross-reference tables between the various Risk ID parameters make it possible to assign risk events to one or more ESG topics without double counting.

11 The Representative Concentration Pathway scenarios are four climate change scenarios used by the Intergovernmental Panel on Climate Change (IPCC) which assess the evolution of GHG concentrations in the atmosphere up to the year 2100. Scenario RCP 8.5 leads to a significant increase in CO_2 concentration in the atmosphere and an increase in global temperatures of more than 4°C by 2100. Scenario RCP 8.5 is the most pessimistic, while scenario RCP 2.6 forecasts a warming of less than 2°C in 2100.

12 SSP (Share Socio-economical Pathways): socio-economic versions of the IPCC's RCP scenarios.

activities, sectors, counterparties, etc. whose emissions are too high and that do not have a transition trajectory compatible with the bank's strategy and commitments.

- The key climate assumptions formulated in BNP Paribas Fortis' financial statements are compatible with the climate scenarios used in the various exercises presented above.

Opportunity dimension

As BNP Paribas Fortis, with its own strategic plan, contributes to the Group's strategic plan and in order to be consistent with operational tools and processes, the methodology for identifying opportunities is based on its strategic plan and the existing commercial offering in relation to ESG sub-topics.

The methodology for assessing opportunities is based on:

i. Identifying a strategic commitment of the plan monitored through a performance indicator and linked to an ESG sub-topic;

ii. The targets of the BNP Paribas Fortis' strategic plan and/or a qualitative assessment of cost reductions linked to the operational scope.

BNP Paribas Fortis assesses the materiality of opportunities for each ESG sub-topic, on a scale from 1-Minimal to 5-Critical. Those with a score of 3-Important or above are regarded as material, which corresponds to an ESG sub-topic linked to a strategic commitment monitored via a performance indicator.

It should be noted that:

- Where the quantification of opportunities corresponds to the achievement of the strategic plan, the materiality of the opportunities is assessed over the medium term.

- The methodology for identifying and assessing opportunities is not specific to climate change.

Governance and internal control

The Company Engagement, RISK and Finance functions perform the impacts, risks and opportunities analyses respectively. Harmonisation work then takes place before information is submitted for validation to the Executive Board/Executive Committee, and Board of Directors of BNP Paribas Fortis. This overall review ensures the consistency of the three parts of the analysis and is based, where appropriate, on additional ad-hoc analyses, for example sector maps or customer questionnaires.

The analysis of the impacts, risks and opportunities is based on operational processes that are already in place and have their own integrated governance arrangements. The risk inventory and projections of future financial flows are thus monitored as part of BNP Paribas Fortis' internal controls (cfr. section 1.a 'Governance', point 1.a.3 'Risk management and internal controls over sustainability reporting' in this chapter).

Summary of the double materiality assessment

BNP Paribas Fortis' operational framework for managing impacts, risks and opportunities covers all ESG topics and the double materiality assessment as defined above acts as a filter for the bank's material topics. An ESG topic is material when:

- The bank's negative impacts on the topic are considered significant by stakeholders (clients, investors, NGOs and employees);

- The risks caused by the topic (i) directly to the bank or (ii) indirectly through its financial activities, are above a certain annualised expected loss threshold;

- Opportunities linked to the topic are defined within the BNP Paribas Fortis' strategic plan and monitored via a performance indicator.

This process and the results of the double materiality assessment will be subject to an annual review and may therefore change in the bank's future exercises. ESG topics and their respective impacts, risks and opportunities assessed as material are presented in the following section.

1.c.2 Material impacts, risks and opportunities and their interaction with the strategy and business model

The double materiality assessment covers all BNP Paribas Fortis' entities, in line with the integrated business model. The specific features of the bank's non-banking entities are analysed in parallel to ensure that any specific features are considered, particularly in terms of impact.

TABLE No. 5: DOUBLE MATERIALITY MATRIX BY SUSTAINABILITY TOPIC

Material impacts, risks and opportunities for BNP Paribas Fortis					Non-material
Environmental	**Climate change adaptation**	Impact	Risk	Opportunity	**Water and marine resources**
	Climate change mitigation	Impact	Risk	Opportunity	**Resource use and circular economy**
	Pollution* *(*In addition to the ARVAL scope)*	Impact	Risk	Opportunity	**Biodiversity and ecosystems**
Social	**Own workforce**	Impact	Risk	Opportunity	**Workers in the value chain**
	Consumers and end-users	Impact	Risk	Opportunity	**Communities affected**
	Customer security, *including privacy protection*	Impact	Risk	Opportunity	
Governance	**Business conduct, anti-bribery and whistleblowing system**	Impact	Risk	Opportunity	**Relationship with suppliers**
	Market integrity and financial security	Impact	Risk	Opportunity	
	Cybersecurity	Impact	Risk	Opportunity	

Material: 5 - Critical; 4 - Significant; 3 - Important
2 - Informative
1 - Minimal

The consideration of the specificities of BNP Paribas Fortis' non-banking entities did not result in the identification of material topics different from those identified at the bank level, except for the Arval scope, as indicated in the above table. Within Arval's scope, the impacts assessed as material with respect to pollution are described in the sustainability statements published by the subsidiary under the CSRD.

For the scope of Arval's vehicles fleet (commercial activities) and in the context of the double materiality assessment and the impacts, risks and opportunities identification, negative impacts related to pollution on people's and wildlife's health have been identified:

- Driving internal combustion engine, biofuel and hybrid vehicles generates air pollutants other than greenhouse gases: NOx, fine particles, VOCs, CO. These pollutants have an impact on people's health;
- The production of non-renewable energy to charge battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) also generates air pollution;
- The use of brakes releases particles that endanger health;
- Tire abrasion releases microplastics that pose a significant threat to wildlife and accumulate in the food chain;
- In addition, engines and tires emit noise, the acceptable levels of which are regulated.

Pollution reduction policies are embedded in Arval's Decarbonisation strategic plan:

- Arval Beyond
- Decarbonisation plan

Actions embedded in Arval's Decarbonisation strategic plan:

- **Extensive offer of electric vehicles:** Arval, besides increasing the number of electric vehicles in its fleet, is also extending the offer of electric vehicles and facilitating the access to charging infrastructure. The transition covers all the countries where Arval operates, and includes passenger cars and utilities;
- **Rental solutions tailored to transition to low carbon mobility:** Arval is developing new forms of sustainable mobility, such as car-sharing and bicycle rentals, to reduce the number of vehicles on the road and lower GHG emissions including also the possibility to test flexible solutions for electromobility;

- **Eco-driving scoring and training:** Arval raises awareness among clients and drivers about eco-driving to reduce fuel consumption and NOx emissions. They also encourage the adoption of behaviors that minimise pollution from brake and tire wear. Arval has deployed telematic tools and training to promote eco-driving;
- **Monitoring of average vehicle weight:** by gradually reducing the weight of vehicles via implementation of vehicle weight management, Arval aims to lower energy consumption and emissions. This also helps in reducing the release of micro-plastics and fine particles from tire and brake wear.

Arval's additional specific actions to reduce pollution:

- **Preventive maintenance:** by encouraging preventive and planned maintenance, Arval aims to guarantee optimal functioning and reduce premature wear and tear on vehicles, extending their lifespan and minimising the environmental impact of repairs;
- **Smart Repair:** SMART Repair technology (Small to Medium Area Repair Technology) limits the pollution generated by vehicle repairs. It entails the use of modern tools and techniques to repair damage locally without replacing entire parts, reducing waste generation and the consumption of polluting materials (e.g. reduction of the use of chemicals such as paints and solvents).

The actions above mentioned, are applicable in most countries where Arval operates. The responsibility and accountability for these actions are handled under the governance of Arval.

TABLE No. 6: DETAILED LIST OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES FOR BNP PARIBAS FORTIS BY REGULATORY SUB-TOPIC

Topic	Sub-topic	Value chain	Category	IRO details
E1 Climate change	**Climate change adaptation**	Commercial activities	Risks	The business models of the bank's customers are threatened by obsolescence due to the transition to a low-carbon economy. Customers unable to meet the challenge of transitioning to a future-proof model are bound to disappear. Through the cascade effect, this risk affects the bank's activities by increasing the likelihood of stranded assets and/or declining income.
	Climate change mitigation & Energy	Commercial activities	Negative impacts	Indirect climate impacts through the bank's financing of clients that emit GHGs.
			Risks	Risks of stranded assets and/or lower income for certain sectors exposed to risks arising from the transition obligation.
				Reputational risks linked to accusations of greenwashing and financing of sectors with high GHG emissions.
			Opportunities	Financing of the transition to a low-carbon economy, in particular with regard to renewable energies, energy efficiency and less polluting transport.
		Operational scope	Opportunities	Reducing carbon emissions across the bank's operational scope may lead to cost reductions, improve the bank's image and help increase employee awareness.
S1 Own workforce		Operational scope	Negative impacts	Isolated cases of discrimination, inequality and exclusion among BNP Paribas Fortis employees and isolated cases of violence and harassment at work among BNP Paribas Fortis employees. Additionally, employee social protection potentially insufficient in some countries.
			Risks	Operational risks related to human errors caused by psychosocial and HR legal risks.
			Opportunities	Gender equality and work-life balance contribute, along with other factors, to well-being at work, staff retention and employee efficiency. By fostering an inclusive, balanced and supportive working environment, BNP Paribas Fortis increases its attractiveness as an employer and ability to retain high-level talent, thereby reducing external recruitment costs.
				Skills development promotes employee satisfaction and retention, thereby reducing external recruitment costs for the bank.

Topic	Sub-topic	Value chain	Category	IRO details
S4 Consumers and end-users		Commercial activities	Negative impacts	Social exclusion: some services - due to the way they are constructed - limit customers' access to important services necessary for their inclusion in society. Information that is unclear and lacking in transparency: information that is not sufficiently clear and comprehensive could mislead clients and cause them to make decisions that do not correspond to their needs or financial situation, thereby exposing them to financial risks such as debt-related risk. Customer dissatisfaction: caused by lack of access or restricted access to a product or service in a way that affects their personal projects.
			Risks	The bank incurs legal risks related to customer data privacy issues, in particular in terms of personal data breaches.
			Opportunities	Proposing products and services that promote social inclusion through financial inclusion.
G1 Business conduct	**Business conduct (including whistleblower protection)**	Operational scope	Risks	Legal and reputational risks if the bank is involved in corruption or influence peddling. These risks may affect the bank's financial statements.
Specific to BNP Paribas Fortis	**Market integrity and financial security**	Commercial activities	Risks	Regulatory operational risks if BNP Paribas Fortis fails to identify, monitor and report suspicious client activities. The bank may incur administrative and criminal penalties as well as significant remedial costs if it does not identify and report criminal activities such as money laundering.
	Cybersecurity	Operational scope	Risks	Risks of intentional fraud by a customer (e.g. falsified/expired figures or information, overvalued figures in annual reports or budgets, fraudulent bankruptcy, false collateral etc.) when funding is granted/renewed.
				Risks of third-party IT intrusion due to inadequate security resulting in fraudulent payments.

ESG risks exacerbate traditional banking risks, which may increase pressure on the bank's financial performance. The bank's ESG risk management and stress-testing system is integrated into the overall risk management system described in the 'Risk management and capital adequacy' section of the consolidated financial statements chapter of the BNP Paribas Fortis 2024 annual report.

In order to limit its negative impacts and potential risks and to develop its opportunities, BNP Paribas Fortis has put in place policies, broken down into specific actions. They are presented in the thematic chapters of the sustainability statements: chapter 2 'Climate change', chapter 4 'Own workforce', chapter 5 'Consumers and end-users' and chapter 6 'Business conduct'.

Finally, BNP Paribas Fortis' strategic plan identifies climate and social opportunities. The plan is developed by the operational divisions in order to manage the opportunities and indicators of the CSR dashboard as presented above.

Specific to climate change:

- BNP Paribas Group has defined the trajectory for aligning its portfolios with a net zero GHG emissions target in 2050 (cfr. chapter 2. 'Climate change') as a key part of the Group's strategic plan. In pursuit of that commitment, the Group gradually selects counterparties that emit the least GHGs and thus present the lowest climate transition risk.
- The resilience of BNP Paribas Fortis' diversified and integrated business model with regard to climate change risks was confirmed during the 2050 stress tests carried out as part of the ICAAP 2024 exercise (cfr. climate stress tests in chapter 2. 'Climate change').
- BNP Paribas Fortis has anticipated adjustments to the carrying amounts of assets and liabilities reported in the financial statements due to climate risk factors under IFRS 9. This information is detailed in chapter 2.g 'Cost of risk' of the consolidated financial statements chapter of the BNP Paribas Fortis 2024 annual report.

2 Climate change

BNP Paribas Fortis presents hereafter its strategy, performance and commitments in relation to climate change and in line with the BNP Paribas Group strategy.

The following topics are covered:

Strategy: The approach to aligning credit portfolios with decarbonisation trajectories compatible with the Paris Agreement is presented in section 2.a 'Strategy', point 2.a.1 'Transition plan for climate change mitigation'.

Climate risks and stress testing analysis: BNP Paribas Fortis regularly assesses the resilience of its economic model to the physical and transitional risks associated with climate change. This includes the exercises (stress test) requested by the ECB and the EBA. These are detailed in section 2.a 'Strategy', point 2.a.3 'Description of the strategy and business model resilience'.

Policies related to climate change mitigation and adaptation: BNP Paribas Fortis outlines the policies adopted to manage material impacts, risks and opportunities related to climate change in section 2.b 'Impact, risk and opportunity management', point 2.b.2 'Summary of actions related to climate change policies'.

Actions related to BNP Paribas Fortis' decarbonisation trajectory: the actions taken by BNP Paribas Fortis in relation to its impacts, risks and opportunities aim to reduce risks linked to climate change by:

- Enhancing its understanding of the climate profile and trajectory of its counterparties;
- Minimising its impact by managing the alignment of its credit portfolio in the most carbon emi sectors;
- Reducing its own operational carbon footprint;
- Supporting its clients in their transition to a low-carbon economy through adapted sustainable products and services.

Metrics and targets: BNP Paribas Fortis presents BNP Paribas Group's metrics and targets related to the reduction of GHG emissions by sectors. It sets out its decarbonisation objectives for the most emission-intensive sectors of its credit portfolio, as well as the amount of financed emissions. These elements are presented in section 2.c 'Metrics and targets'.

2.a Strategy

2.a.1 Transition plan for climate change mitigation

Scope and limits

BNP Paribas Fortis has adopted the BNP Paribas Group's transition plan for climate change mitigation.

The building blocks of the transition plan for climate change mitigation described below applies only to activities related to the financial assets of the BNP Paribas Group and BNP Paribas Fortis balance sheet. This is in accordance with the scope of assets retained for the inventory of financed emissions, as presented in section 2.c 'Metrics and targets', point 2.c.4 'Gross GHG emissions'. Across all assets, this transition plan focuses on the sectors with the highest GHG emissions.

BNP Paribas Fortis is exposed to several of these sectors due to its current credit portfolio. These include the oil and gas, commercial real estate, residential real estate and agriculture sectors. While the strategy, risks, and policies cover all activities, certain actions, targets and metrics apply specifically to the financing of these sectors. More specifically, the intermediate reduction targets cover financing granted to non-financial corporates, in accordance with the scope of assets selected for the inventory of financed emissions presented in section 2.c 'Metrics and targets', point 2.c.4 'Gross GHG emissions', on the sectors with the highest GHG emissions.

In the absence of sector-specific standards for the financial sector, and in a regulatory environment that is stabilising (with several texts defining similar transition plan requirements), BNP Paribas Group and BNP Paribas Fortis activate the provision provided in ESRS 1, paragraph 133(a), chapter 10.2. Transitional provision related to chapter 5. 'Value chain'. The application of this provision is specified by the European Financial Reporting Advisory Group (EFRAG) in the compilation of explanations (FAQ ID1033) published on its Q&A platform[1]. Accordingly, no GHG emission reduction target is disclosed in absolute value.

1 EFRAG ESRS - Q&A Platform - Compilation of Explanations December 2024

Moreover, reliance on data from customers or third parties to calculate emissions does not allow the bank to indicate whether, or by when, it would be able to produce reliable targets in absolute value. Two key challenges need to be highlighted:

- Data availability and quality conditions (e.g. counterparty Scope 3 emissions[2]) are not yet met to define a reliable data inventory, which would serve as a stable starting point for long-term projections;
- It is difficult to project decarbonisation trajectories and estimate counterparty financing needs due to a lack of consensus on long-term macroeconomic assumptions.

BNP Paribas Fortis continues to improve its analysis of customer data and needs. To date, it considers that its approach, which relies on medium-term objectives for managing the decarbonisation of its portfolio by sector, aligns with its past commitments and represents the best available response to decarbonisation challenges.

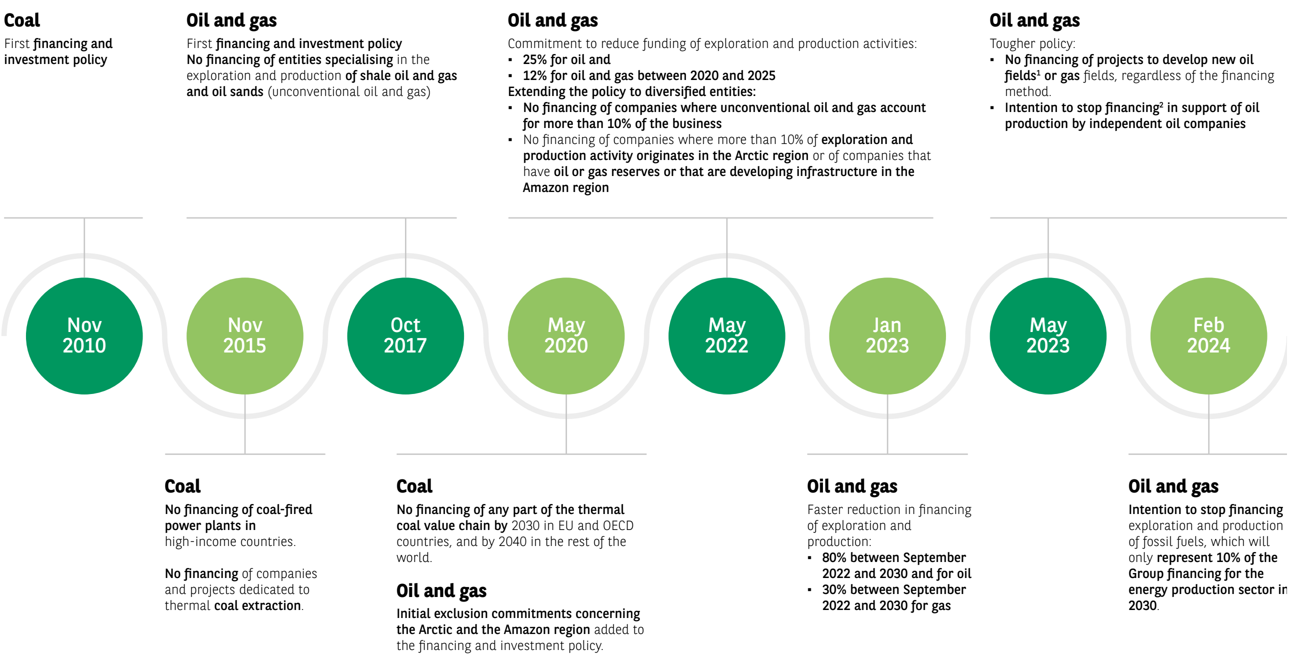
BNP Paribas Fortis contributes to the interim objectives set by the Group to reduce the carbon intensity of its credit portfolios in the highest-emission sectors by 2025 and 2030. The targets, calculation methods, scope and sources of data are detailed in section 2.c 'Metrics and targets', 2.c.1 'BNP Paribas Fortis targets and metrics related to its impact on climate change'.

BNP Paribas Fortis has also set intensity-based targets for reducing greenhouse gas emissions in its operational scope, supported by actions aimed at promoting the improvement of its building's energy efficiency and sustainable mobility.

Finally, BNP Paribas Group purchases voluntary carbon credits each year to offset residual GHG emissions against its operational scope, which includes those of BNP Paribas Fortis.

Actions taken by BNP Paribas Fortis to limit climate change

FIGURE No.4: HISTORY OF BNP PARIBAS GROUP'S COMMITMENTS TO FIGHTING GLOBAL WARMING



[1] Already effective since 2016 for oil
[2] Corporate loans or RBL-type financing

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[2] Indirect emissions from counterparties.

BNP Paribas Fortis' main lever is to leverage its position as a financial institution to support the ecological transition of economic actors. This investment is one of the contributions that enabled the BNP Paribas Group to be the world leader in green loans and bonds for the second consecutive year in 2024, according to Dealogic (Dealogic's 2024 Sustainable Finance Review).

As part of its own strategic plan, derived from the BNP Paribas Group's strategic plan, BNP Paribas Fortis has reaffirmed the importance of climate in its strategy. This strategy includes a sustainability axis, with the first strategic pillar being the alignment of credit portfolios with the decarbonisation commitment for the most emitting sectors of activity. The second pillar is supporting its customers in their transition to a sustainable and low-carbon economy by mobilising internal resources, and the third pillar is strengthening the bank's expertise, management tools, processes and systems. Each of these three pillars involves strong actions:

- Exclusion from its field of activity clients and projects with the highest environmental impact and GHG emissions (particularly in the coal and unconventional oil and gas sectors), significant reduction of its credit exposure to high-emission activities (such as oil and gas exploration-production), via dedicated financing and investment policies;
- Increased support for low-carbon energies, particularly through the Low-Carbon Transition Group teams. With this in mind, BNP Paribas Fortis participates in the financing of energy and ecological transition projects or companies that are particularly committed to this area, such as 'Sustainability-Linked Loans'[3] (SLL), integrating climate criteria. The bank also offers to its individual clients tailored financial products and services: reduced-rate real estate loans for properties demonstrating better energy efficiency, or loans for the purchase of less polluting vehicles;
- BNP Paribas Fortis integrates in the corporate financing process an ESG Assessment of corporate customers with over 50 million euros in turnover. This ESG Assessment includes a questionnaire and information on controversies, including climate-related factors. It also allows for a deeper understanding and documentation of the client's ESG knowledge (practices, maturity, risks, and potential impacts), and evaluates their compliance with the bank's sector policies.

Since 2010, BNP Paribas Fortis has implemented financing and investment policies that govern all its activities in economic sectors with significant environmental or social impacts. Some of these policies specifically aim to reduce credit exposure to fossil fuels. In this context, BNP Paribas Fortis contributes to the BNP Paribas Group's commitment to reducing credit exposure to the coal-fired power generation, oil and gas and exploration-production sectors. Since 2021, BNP Paribas Fortis has also committed to aligning its credit portfolios in the most carbon-intensive sectors with trajectories compatible with the Paris Climate Agreement of 2015, which aims at "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuit efforts to limit the temperature increase to 1.5°C above pre-industrial levels". BNP Paribas Fortis is thereby supporting the GHG emissions reduction targets established by the BNP Paribas Group in ten[4] sectors. This approach is now the cornerstone of the Group's transition plan, to which BNP Paribas Fortis contributes. The resources deployed and the progress made are outlined in section 2.b 'Impact, risk and opportunity management', point 2.b.3 'Actions relating to climate impact and risk management' and point 2.b.5 'Transition ressources'.

In addition to its exit from the coal sector[5], almost completed by the end of 2024, the BNP Paribas Group and BNP Paribas Fortis have not granted any financing for projects developing new oil or gas fields since 2023. By 2030, BNP Paribas Group intends to reduce its credit exposure to oil and gas exploration and production by 80% and 30% respectively, compared to September 2022.

3 Credit whose interest margin is linked to ESG performance indicators, which are set by mutual agreement between the borrower and its bank. The borrower contractually undertakes to implement these during the term of the loan. The name of this product and the recommended implementation framework are defined by the Loan Market Association's (LMA) Sustainability-Linked Loan Principles. This product is designed to encourage the borrower to significantly improve its ESG footprint compared to its peers or industry average.

4 Oil & Gas, Power Generation, Automotive, Steel, Aluminium, Cement, Aviation, Marine, Commercial Real Estate and Residential Real Estate (targets for Agriculture are not available).

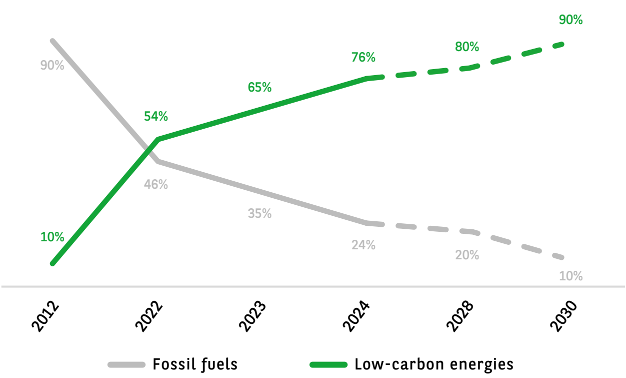
5 BNP Paribas aims to reduce its exposure to thermal coal capacities to zero by 2030 in European Union (UE) and OECD countries, and by 2040 in the rest of the world.

Since 2023, the BNP Paribas Group has also accelerated its ambition to decarbonise its credit portfolios. To this end, it has adopted an exit trajectory from fossil fuel upstream activities. By 2030 low-carbon energies, mainly renewables, must represent at least 90% of the Group's financed energy mix. BNP Paribas Fortis contributes to the achievement of this objective. The definitions of low-carbon and renewable energy are outlined in chapter 8. 'Annex', section 8.b 'Climate Change', point 8.b.1 'BNP Paribas Group credit exposure to low carbon and fossil energies'.

This commitment is already reflected in the very rapid evolution of the credit portfolio, as illustrated in the figure below:

BNP Paribas is continuing to shift its financing towards low-carbon energies

FIGURE No.5: WEIGHT OF FOSSIL FUELS AND LOW-CARBON ENERGIES IN BNP PARIBAS CREDIT EXPOSURE FOR ENERGY PRODUCTION



In accordance with the criteria outlined in Article 12(2) of European Commission Delegated Regulation (EU) 2020/1818[6] (EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks), BNP Paribas Fortis is not excluded from Paris-aligned benchmarks.

Validation of the BNP Paribas Fortis transition plan

The contribution to the BNP Paribas Group's transition plan was formally endorsed by the BNP Paribas Fortis' Executive Board on 6 March 2025.

2.a.2 Material impacts, risks and opportunities and their interaction with the strategy and business model

Reminder of material climate impacts, risks and opportunities for BNP Paribas Fortis

Through its double materiality assessment, aligned with that of BNP Paribas Group, BNP Paribas Fortis has identified several material climate-related impacts, risks and opportunities.

Material impacts related to climate change mitigation and BNP Paribas Fortis' business activities:

- Indirect climate impacts through bank financing of GHG-emitting customers.

Material risks related to adaptation to climate change and related to BNP Paribas Fortis' business activities:

- The business models of the bank's customers are threatened by obsolescence due to the transition to a low-carbon economy. Customers unable to meet the challenge of transitioning to a future-proof model are bound to disappear. Through the cascade effect, this risk affects the bank's activities by increasing the likelihood of stranded assets and/or declining income.

Material risks linked to climate change mitigation and BNP Paribas Fortis' business activities:

- Risks of stranded assets and/or declining income in sectors exposed to transition-related obligations;
- Reputational risk associated with accusations of greenwashing and continued financing of sectors with significant GHG emissions.

Material opportunity related to climate change mitigation and BNP Paribas Fortis' business activities:

- Financing the transition to a low-carbon economy, particularly in the areas of renewable energy, energy efficiency and cleaner transport.

Material opportunity linked to climate change mitigation and BNP Paribas Fortis' own operations:

- Reducing carbon emissions from the bank's own operations can lower costs, enhance its reputation and increase employee engagement.

6 Article 12(2) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020.

Presentation of the correspondence table summarising the links between the material IROs, policies, actions, metrics and targets

TABLE No. 7: SUMMARY OF LINKS BETWEEN MATERIAL IROs, POLICIES, ACTIONS, METRICS AND TARGETS

Category	Title of the material IRO	Policies	Actions	Metrics and Targets
Impact	Customer GHG emissions	• Strategic Plans • Sector Policy - Oil & Gas • Sector Policy - Mining Industry • Sector policy - Coal-fired power generation • Sector Policy - Nuclear Energy	• Reduction of financed emissions in intensity or absolute value in the most emitting sectors • Deployment of ESG Assessment in the credit process • Surveillance of ESG risks in the KYC process • Monitoring • Exclusion	• GHG emissions in the scope of business activities • 2025 and 2030 targets in the most emitting sectors
Risk	Risks associated with the transition to a low-carbon economy			
Risk	Risks of stranded assets and/or decreased income			
Risk	Reputational risks linked to accusations of greenwashing and financing of sectors with significant GHG emissions			
Opportunities	Financing the transition to a low-carbon economy		Supporting its customers in the transition to a low-carbon economy	
Opportunities	Reduction of carbon emissions from the bank's own operations	• Environmental Declaration • Travel Policy	Operational perimeter initiatives to reduce energy expenditure, raise awareness and mobilise all employees with the Green Company for Employees programme.	• Group Direct GHG Emissions • Target 2025: 1.85 tCO_2e/FTE

2.a.3 Description of strategy and business model resilience

BNP Paribas Fortis regularly assesses the resilience of its strategy and business model to climate related risks. The bank conducts these assessments in particular as part of the stress tests mandated by the ECB and the European Banking Authority (EBA), but also annually as part of the ICAAP over a 30-year horizon, as recommended in the ECB's ICAAP guide.

Climate stress tests facilitate the analysis of the materiality of risk drivers and enable to anticipate their potential future evolution. The bank's accounting provisions and economic capital calculations are adjusted to reflect the impacts of material climate risk drivers, as identified through stress test results.

Climate stress tests contribute to a component of the bank's risk appetite framework and are used to determine their risk alert thresholds.

The strategy also impacts the stress tests, sector policies applied or commercial priorities, influencing balance sheet dynamics.

The bank integrates the results of the stress tests into its strategy by periodically submitting them to the Risk Committee and the Board of Directors and by integrating climate risk into internal capital calculations.

These results can be presented to the management on their request if deemed relevant for a given sector. This highlights the fact that the climate scenario analysis framework is flexible enough to address specific needs not included in the ICAAP testing or that require further investigation. For example, this applied to the residential real estate sector, where stress tests on ESG drivers and climate change were carried out and presented to the BNP Paribas Fortis Risk Policy Committee and the BNP Paribas Group Risk and Development Policy Committee which approves the development plan and the underlying risk profile of a sector/activity. In addition, transition-related climate indicators and associated performance indicators are being integrated into the bank's RAS (Risk Appetite Statement)[7].

[7] *A written statement of the overall level and types of risks that a financial institution is willing to accept or avoid in order to achieve its business objectives.*

It should be noted that, to date, compared with physical climate risks[8], the risk driver associated with transition-related climate risks[9] could affect the cost of risk for the bank, particularly in the event of a delayed transition. If the implementation of climate change mitigation policies were delayed, this would lead to an abrupt and more costly transition after 2030 to mitigate global warming, as it would require a more rapid reduction in GHG emissions.

Annual ICAAP stress test

ICAAP includes the analysis of climate scenario impacts on the credit, market and operational risks of BNP Paribas Fortis.

Credit Risk

Since 2021, the infrastructure for climate stress testing has been significantly improved, in particular as it is based on insights obtained in the preparation of the ECB's 2022 climate stress test and the 2023 ICAAP as well as from improvements to the risk identification process.

Building on these improvements, ICAAP 2024 now includes:

- Three long-term transition risk scenarios;
- A detailed analysis of pluvial and riverine flood risk scenarios.

The climate stress testing framework is based on multiple internal and external inputs at different levels of granularity. Internal data are those relating to BNP Paribas Fortis' portfolios within the stress test perimeter:

- For transition risk, this includes information on the company's exposures at both customer and facility level, as well as specific ESG data such as GHG emissions and the 'Energy Performance Certificates' (EPC) of buildings, which may be estimated in particular using the 'Partnership for Carbon Accounting Financials' (PCAF) methodology for GHG emissions, and the breakdown of EPC by country;
- Regarding physical risk, this includes information on the exposure of commercial and residential real estate at both client and asset level, primarily for stress testing, and specific data, including asset location, which can be approximated using postal codes if the precise address is missing.

External data consists of macroeconomic information required for projections. These data points are collected at the geographical and sector level where available. Granularity can be further refined for transition risk via the general equilibrium model: certain financial statement indicators are estimated at both country and sector level based on the climate scenarios under analysis. For physical risk, the estimated asset damage from river and flood risks under the RCP 8.5 Scenario is collected from an external provider, using the geolocation of BNP Paribas Fortis assets.

The following sources of uncertainty are inherent in the climate stress testing processes:

- Uncertainty linked to modelling processes: the statistical model seeks to estimate potential losses based on assumed climate scenarios and, as a result, a certain level of uncertainty is inherent in these models. However, model performance monitoring and control measures ensure a reasonable level of confidence in both internal and external model estimates (damage projections);
- Data approximations due to missing data;
- Climate scenarios derived from climate projection models and macroeconomic assumptions;
- Assumptions regarding the evolution of BNP Paribas Fortis' portfolio exposures and sector allocation, particularly for long-term projections.

ICAAP 2024 Test Scenarios and Scope

Transition risk resilience

- In 2024, BNP Paribas Fortis tested its corporate portfolio on three transition scenarios, instead of just one in ICAAP 2023. These scenarios include the IAM[10] REMIND sub-2°C scenario, the delayed transition and current policies, for which the Network for Greening the Financial System (NGFS) provided conditional trajectories for macroeconomic and climate variables at the end of 2022;

8 Physical climate risks include the direct consequences of climate hazards, such as floods, storms, etc.

9 The transformation of the economy to a low-carbon world can create transitional climate risks for businesses.

10 The NGFS (Network for Greening the Financial System) develops scenarios aligned with global warming trajectories based on the integrated 'IAM REMIND' assessment model: IAM simulates climate policy scenarios and investigates their impact on society and the environment, REMIND explores how climate goals could be achieved.

- The scope of the analyses is gradually being expanded and now covers companies in several divisions and business lines: Commercial Banking and CIB activities within BNP Paribas Fortis in Belgium and Commercial Banking activities within BGL BNP Paribas in Luxembourg. These divisions represent the majority of BNP Paribas Fortis' corporate exposures. Indeed, these entities are potentially the most susceptible to transition-related climate risk, given the need for economic adaptation to a low-carbon world.

Transition risk stress tests are carried out with a horizon of 2050. No distinction is made between short, medium and long-term impacts.

The methodology used for the dynamic projection of BNP Paribas Fortis' balance sheet on the analysed scope (portfolio of non-financial companies) considers several key assumptions related to economic growth trajectories under climate transition conditions and the adaptation of assets and activities to a low-carbon economy, including:

- Balance sheet expansion aligned with GDP growth projections per country;
- Support from BNP Paribas Fortis to its customers in their transition plan;
- A breakdown of the balance sheet by sector of activity integrating clients' financing needs to execute their transition plans, which in turn results in an increased concentration of exposure in sectors requiring substantial green investment;
- The BNP Paribas Group's long-term climate commitments, as considered in the NGFS 'Hot House World' scenario, including the consideration of BNP Paribas Group's and BNP Paribas Fortis' phased withdrawal from certain sectors of activity not compatible with the transition.

Physical risk resilience

As part of ICAAP 2024, BNP Paribas Fortis assessed its current real estate portfolio (Belgium and Luxembourg) for exposure to river and flood-related risks under RCP 8.5 conditions for a 2085 horizon, assuming basic macroeconomic conditions. The bank modelled a decline in collateral values due to damage impacts and a broad revaluation of properties, reflecting higher insurance costs. There is no time horizon for physical risk scenarios, as these assume an immediate impact from a given event.

Results for the ICAAP 2024 financial year

Transition risk resilience

By 2050, under the conditions of the scenarios tested, changes in energy and carbon prices would have a significant impact on the economic sectors currently considered to be the most emitting ones. BNP Paribas Fortis' support to its customers in their energy transition could therefore result in increased exposure to these emission sectors, hence a potential increase in the cost of risk, especially in the event of a disorderly transition.

Physical risk resilience

The impact of the scenario is mainly observed through the devaluation of assets induced by the increase in the cost of insurance and the damage suffered. Through various simulations conducted, the cost of risk would be particularly sensitive to insurance premium level of assumptions and the potential increase in default probabilities of stranded assets.

It should be noted that, in the case of real estate, the natural disaster fund scheme is also a diversification factor and therefore a risk reduction factor.

Market Risk

The various climate monitoring tests carried out on market activities have shown the adequacy of the existing analysis infrastructure.

Operational and reputational Risk

Operational risk losses at BNP Paribas Fortis are calculated based on potential incidents identified in operational risk management systems as partial or total consequences of climate change.

Only a very limited number of minor potential incidents - recognised as being partially or fully related to climate change - have been identified. The resulting operational risk losses from climate change events appear consistent with the incidents analysed.

It should be noted that BNP Paribas Fortis' teleworking agreements contribute to reducing operational risk.

Reputation risk is managed by various BNP Paribas Fortis' business lines, which have developed reputation risk scenarios. The impacts are assessed by experts, and the exercise forms part of the risk identification process (Risk ID).

2.b Impact, risk and opportunity management

2.b.1 Climate change mitigation and adaptation policies

BNP Paribas Fortis Financing Activities Policies

BNP Paribas Fortis has a range of policies, defined by BNP Paribas Group, that govern its activities and business relationships.

BNP Paribas Fortis' financing activities are governed by secto policies. Four of them are directly linked to climate change:

- Sector Policy - Coal-fired power generation
- Sector Policy - Oil & Gas
- Sector Policy - Mining Industry
- Sector Policy - Nuclear Energy

By limiting BNP Paribas Fortis' exposure to high emitting sectors, these policies also reduce its transition risks.

The aforementioned policies are continuously updated by BNP Paribas Group's interaction with its stakeholders, in particular investors, NGOs, etc. or by best practices established by international or sector bodies.

The application of sector policies is complemented by the establishment of monitoring and exclusion lists, depending on the level of deviation from the policy, particularly in the event of non-compliance with climate-related criteria. Companies under monitoring are subject to engagement measures to encourage them to sustainably change their practices and reduce their ESG risks, especially in relation to climate change. For companies under exclusion, BNP Paribas Group and BNP Paribas Fortis prohibit any financing or investment relationship.

BNP Paribas Fortis Operational Perimeter Policies

BNP Paribas Fortis has been part of a methodological approach for continuous improvement since 2012 and recognises the following priority principles for action against climate change:

1. Improving energy efficiency (adapt usage to reduce demand);
2. Enhancing energy efficiency (generating, transporting and using energy more efficiently), including property portfolio optimisation and building design efficiency. In Belgium, BNP Paribas Fortis also applies the 'desk sharing' and 'clear desk' principles and the centralisation of its Brussels entities in its 'Uptown' site, which includes the new head office;
3. Electrification of the car fleet;
4. Increasing the use of low-carbon energy, including renewable energies;
5. The purchase of voluntary carbon credits by the BNP Paribas Group to offset an amount equivalent to the residual emissions.

In 2009, BNP Paribas Fortis introduced a network of 'EcoCoaches' in Belgium. EcoCoaches are employees who, on a voluntary basis, contribute to the bank's objectives by raising awareness and motivating their colleagues to adopt environmentally friendly behaviour at work. This initiative is part of the Group's 'Green Company For Employees' programme, which accelerates the reduction of BNP Paribas' direct environmental impact by placing employee participation at the centre. Thus, policies related to, for example, energy management of buildings or business travel contribute to reducing the Group's operational impact.

BNP Paribas Fortis has also adopted the Group's Sustainable Sourcing Charter[11] provided to all its suppliers and subcontractors to ensure that its environmental requirements and principles are respected, particularly regarding greenhouse gas emissions. This charter emphasises the ESG policies of suppliers.

The Facility Management division of BNP Paribas Fortis in Belgium has an ISO 14001 certified environmental management system since 2011. To reduce the impact of its own operations, the bank relies on policies covering topics such as CO_2 emissions, energy consumption, sustainable mobility, paper consumption and waste management

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11 BNP Paribas Fortis Sustainable Sourcing Charter

Summary of BNP Paribas Group and BNP Paribas Fortis climate change policies

TABLE No. 8: SUMMARY OF BNP PARIBAS GROUP AND BNP PARIBAS FORTIS CLIMATE CHANGE POLICIES

The policies described below apply to BNP Paribas Fortis. In addition to that, specific policies were developed by Arval and are described in detail in its management report in accordance with CSRD.

Guidelines	Description of policy content	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for implementing the policy	Interaction with stakeholders
Sector policy - Oil and gas	The document presents the commitments related to the financing of companies in the oil and gas sector. It sets out the financing arrangements, defines the granting criteria and specifies sector-specific exclusions.	This policy applies to all BNP Paribas entities and covers all financial products and services provided by BNP Paribas Fortis.	CEO of BNP Paribas Fortis	Available on the BNP Paribas Fortis website. A copy of this policy is also systematically provided to existing and potential clients as part of the KYC process or for discussion regarding the offering of any financial service.
Sector policy - Mining Industry Policy	The document presents the commitments related to the financing of companies in the mining sector. It sets out the terms and conditions for financing projects or granting loans, the criteria for entering into a relationship, exclusions (geographies, type of project, linked to thermal coal, etc.).	This policy applies to all BNP Paribas entities and covers all financial products and services provided by BNP Paribas Fortis.	CEO of BNP Paribas Fortis	Available on the BNP Paribas Fortis website. A copy of this policy is also systematically provided to existing and potential clients as part of the KYC process or for discussion regarding the offering of any financial service.
Sector policy - Coal-fired power generation	The document presents the commitments related to the financing of companies in the coal-fired power generation sector. In particular, it sets the timetable for the complete withdrawal of thermal coal financing.	This policy applies to all BNP Paribas entities and covers all financial products and services provided by BNP Paribas Fortis.	CEO of BNP Paribas Fortis	Available on the BNP Paribas Fortis website. A copy of this policy is also systematically provided to existing and potential clients as part of the KYC process or for discussion regarding the offering of any financial service.
Sector policy - Nuclear Energy	The document presents the commitments related to the financing of companies in the nuclear energy sector. It specifies the rules and evaluation criteria relating to the financing of nuclear power plant projects and related to financial services for companies in the sector	This policy applies to all BNP Paribas entities and covers all financial products and services provided by BNP Paribas Fortis.	CEO of BNP Paribas Fortis	Available on the BNP Paribas Fortis website. A copy of this policy is also systematically provided to existing and potential clients as part of the KYC process or for discussion regarding the offering of any financial service.
Sustainable Sourcing Charter	The document presents the ESG commitments made by both BNP Paribas Fortis and its suppliers.	This policy applies to BNP Paribas Fortis.	COO of BNP Paribas Fortis	Available on the BNP Paribas Fortis website. Distributed to suppliers and buyers of BNP Paribas Fortis.
BNP Paribas Fortis Environmental Declaration	The document contains BNP Paribas Fortis' commitments to reduce CO_2 emissions (related to buildings and business travel), paper consumption and waste.	This policy applies to BNP Paribas Fortis in Belgium.	COO of BNP Paribas Fortis	Participation of all BNP Paribas Fortis employees, suppliers and service providers in the commitments.

Guidelines	Description of policy content	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for implementing the policy	Interaction with stakeholders
BNP Paribas Fortis Travel Policy (internal document)	This document describes the rules to be complied with by employees in the context of the management of their business trips, in particular encouraging them to reduce their environmental impact.	This policy applies to all employees of BNP Paribas Fortis in Belgium	COO of BNP Paribas Fortis.	Going live for all BNP Paribas Fortis entities.
Arval Mobility policy for employees	This document presents the rules applicable in terms of the deployment of mobility policies for employees, particularly in terms of energy transition.	Applies to all countries where Arval operates	Arval Human Resources	Deployment by the HR department in the countries and information for employees eligible for a vehicle.

These policies help to reduce the physical or transitional risks incurred by BNP Paribas Fortis while minimising its impact in the most emitting issuing activities, projects and sectors. They indirectly steer its financing and investments towards opportunities arising from activities and projects compatible with the 2015 Paris Climate Agreement.

2.b.2 Summary of actions related to climate change policies

BNP Paribas Fortis delivers on its commitments by combining various actions across all its entities. The bank measures the effectiveness of its efforts in reducing the GHG emissions of its counterparties and its operational scope:

- BNP Paribas Fortis continues to deploy the ESG Assessment which, through better knowledge of its counterparties and their impacts on climate change, allows the bank to better assess its risks and impacts and better support its clients in transition;
- BNP Paribas Fortis measures the scope of its actions by tracking the intensity of emissions in its credit portfolios in the real estate sector each year;
- BNP Paribas Fortis supports its customers' transition to a low-carbon economy through a range of sustainable products and services[12];
- At the same time, BNP Paribas Fortis strives to reduce its GHG emissions within its operating perimeter as described in the point 2.b.1 'Climate change mitigation and adaptation policies'.

To note that, in addition to the actions described in this chapter regarding BNP Paribas Fortis banking activities, specific actions were developed by Arval. Arval structures its support towards carbon-free mobility around three main levers: the composition of the fleet, the sustainable use of vehicles and alternative mobility to the individual vehicle. These levers, at the heart of the Arval Beyond plan and the GHG emissions trajectory by 2030, include the electrification of fleets, the reduction of the average weight of vehicles and the extension of their ownership period, thus contributing to emission reduction objectives. These actions are described in details in 2024 Arval's management report in accordance with CSRD.

2.b.3 Actions relating to climate impact and risk management

Customer climate performance assessment

The ESG Assessment tool is used to assess the ESG risks of corporate clients. This tool provides a systematic, comprehensive and formal review of ESG topics throughout the credit chain: from integration and monitoring, to reporting and lending.

[12] *Sustainable products and services include green loans or sustainability linked loans.*

In particular, the ESG-Assessment enables:

- Verification of the client's compliance with BNP Paribas Group's sector policies;
- Assessment of the extent to which the BNP Paribas Group's corporate clients are prepared to manage ESG challenges;
- Ensuring that their strategies and commitments take into account key ESG risks specific to their sector;
- Evaluating the maturity of their ESG strategy and their ability to monitor key sector issues, and to publish indicators;
- Confirming whether action plans have been implemented;
- Analysing the materiality of ESG controversies involving the Group's client companies and their potential impact on the client.

This analysis aims to identify companies whose poor ESG performance and risk management could generate credit, investment or reputational risks, as well as negative environmental and social impacts. It also enables BNP Paribas Fortis to direct its financing towards customers and projects that are in alignment with its decarbonisation trajectory.

The ESG Assessment tool for companies covers five ESG dimensions, including climate and environment.

The qualitative conclusions of the ESG Assessment (including an analysis of controversies) are provided by the Relationship Manager[13] and Company Engagement where applicable and reviewed by Risk as a control function to enable a balanced assessment of performance and risk. ESG Assessment supports decision-making through the usual credit processes, reinforcing and documenting ESG due diligence at the counterparty, transaction and collateral level. The results of the ESG Assessment are used to:

- Manage credit decisions at counterparty and transaction level. Depending on the outcome, this could potentially lead to (1) Starting or continuing the relationship; (2) Monitoring and regularly reviewing the customer; (3) Adjusting exposure or ending the relationship;
- Manage/monitor ESG risks through ESG dashboards provided to the various governance bodies.

The overall credit framework has also been strengthened, particularly through updates to credit policies, including dedicated and adapted ESG sections based on the results of the ESG Assessment.

Credit risk is expected to be one of the risks most impacted by ESG. However, BNP Paribas Fortis is also adapting its risk framework to integrate ESG and climate risk factors into other risk processes to capture potential impacts where appropriate.

At BNP Paribas Fortis, the roll-out of the ESG Assessment began in June 2021 for strategic clients across all business sectors.

In 2022, a gradual roll-out began for other companies with annual turnover exceeding 50 million euro, financial institutions and legal structures financing real estate or infrastructure projects.

Alignment of credit portfolios

The BNP Paribas Group including BNP Paribas Fortis has taken significant measures to align its credit portfolios with its commitment to control GHG emissions by sector of activity, in line with the 2015 Paris Climate Agreement. It has done so by implementing actions in sectors with the highest GHG emissions. For each sector, BNP Paribas has based its approach on a reference scenario compatible with this commitment, using best-quality guarantees and recognised by experts, whether from the International Energy Agency (IEA) or a more relevant sector-specific scenario (e.g. aluminium or real estate).

To operationally integrate its commitment to align credit portfolios, the Group is gradually deploying a set-up to ensure the appropriation and systematic integration of client trajectory analyses in view of the Group's portfolio trajectory by all concerned bankers and decision-makers, including during credit committees. This set-up relies on the provision of sector dashboards and client information sheets, automation of these information distribution in tools and the deployment of training. By prioritising the financing of projects or companies contributing to the decarbonisation levers of sectors (new technology, electrification, etc.), the Group is steering the decarbonisation trajectory of its financing portfolio to achieve its targets.

BNP Paribas Fortis contributes to the sectors where it has a more significant impact.

13 ESG Assessment is implemented by relationship managers within the CPBS division.

Oil and gas industry

The BNP Paribas Group including BNP Paribas Fortis implements the following actions:

- The end of financing purely dedicated to the development of new oil and gas fields regardless of the financing method (project financing, RBL[14], FPSO[15]);
- The phase-out of financing for non-diversified upstream oil players and intended to support oil production (corporate or RBL-type financing);
- The reduction in the share of general-purpose lending allocated to upstream oil.

In 2024, the actions already undertaken were pursued, which resulted in a 0.9 billion euros decrease in BNP Paribas Group credit exposure to oil exploration and production (from 3 billion euros as of December 31, 2023 to 2.2 billion euros as of December 31, 2024) and a 0.8 billion euros decrease for gas exploration and production (i.e. 2.7 billion euros as of December 31, 2024, above the 2030 target).

As of December 31, 2024, the financed emissions of the oil and gas sector, as monitored by the Group in its alignment targets, amounted to 9.5 $MtCO_2e$ for BNP Paribas Group, a decrease of 40% compared to December 31, 2023 and 65% compared to September 30, 2022.

The main decarbonisation lever identified is the reduction of its exposure to the upstream oil and gas sector.

Commercial real estate sector

As of December 31, 2023, the BNP Paribas Group's emission intensity of the commercial real estate sector stands at 27.7 $kgCO_2e/m2$, a 2% decrease compared to December 31, 2022. This result mainly reflects a reduction in the emission intensity of real estate clients in the unsecured portfolio.

The main decarbonisation drivers of clients that BNP Paribas Fortis takes into consideration in managing the sector's credit portfolio are the reduction of energy consumption in buildings (energy efficiency improvements) and a larger proportion of low-carbon energies used in the energy mix.

Residential real estate sector

Only 6% of buildings in Belgium have the EPC label A. BNP Paribas Fortis holds a mortgage loan portfolio of around 60 billion euros in Beglium, with new loans totalling approximately 6.67 billion euros in 2024.

At the end of 2023, the average emission intensity of the residential real estate sector in the portfolios of the three main markets of the BNP Paribas Group (France, Belgium and Italy), i.e. nearly 94% of the Group's assets under management in the sector, amounted to 35.0 $kgCO_2e/m2/year$, compared to 35.5 $kgCO_2e/m2/year$ at the end of 2022. In Belgium, the average intensity was 58.4 $kgCO_2e/m2$, a 2.1% decrease compared to 2022 (59.7 $kgCO_2e/m2$).

This decrease is in line with all the actions implemented as part of the My Sustainable Home initiative, the first effects of which are beginning to materialise.

'My Sustainable Home' objective is to support BNP Paribas Group and BNP Paribas Fortis clients throughout their renovation journey to improve the energy performance and resilience of their properties, while helping new owners purchase sustainable properties (i.e. those that prioritise energy efficiency and/or responsible resource management). This approach, which positions BNP Paribas Fortis as a trusted partner in Belgium, seeks to reduce the barriers faced by clients, by providing information, offering dedicated financial solutions and assisting them with their energy renovation or sustainable property purchases.

In its efforts to decarbonise its residential real estate portfolio and contribute to the progressive transition of this sector, BNP Paribas Fortis also deployed in 2023 a methodological framework based on three pillars:

1. **Mapping of GHG emissions in the loan portfolio:** the GHG emissions mapping of the credit portfolio is based on the calculation of the portfolio's emissions. To achieve this, BNP Paribas Fortis invests in collecting data on its customers' EPC certificates. By leveraging government databases and conducting external studies, the bank estimates the aggregate energy efficiency of the loan stock, as well as the evolution of labels distribution.
2. **Adapting credit policies** to make efficient assets more accessible by using various approaches, including:

14 RBL: Reserve-based lending.

15 FPSO: Floating production, storage and offloading.

- An extended term for mortgages up to 30 years;
- A higher borrowing ratio in the case of the acquisition of a sustainable property;
- Specific conditions relating to mortgages on sustainable properties.

3. **Developing the offering of products and services** to support customers' projects. Details are presented in section 2.b.4 'BNP Paribas Fortis actions relating to opportunities linked to climate change'.

Agricultural sector

Agriculture plays a central role in both environmental (e.g. GHG emissions, water consumption, deforestation, etc.) and social challenges. It is highly vulnerable to climate change but also represents a key lever for solutions such as renewable energies, sustainable agroecological practices, and carbon capture in soils.

BNP Paribas Group and BNP Paribas Fortis are committed to enhancing the skills of their teams, as well as developing its products and services in favour of the transition to sustainable agriculture. For instance, the Group has established a centre of expertise for the agri-food sector, the 'BNP Paribas International Food & Agri' hub, within the BNP Paribas Bank Polska entity. This centre has developed the 'Agronomist.pl' platform, a toolkit to support the agro-ecological transition of farmers and agribusinesses. The platform is updated by specialised experts and analysts and enables dialogue to be fostered with bankers who cooperate with farmers and agri-food stakeholders.

This expertise is shared across the Group via a Sustainable Agriculture community, that brings together all teams responsible for agriculture across European markets, including the ones of BNP Paribas Fortis.

The main decarbonisation levers are as follows:

- Supporting the expansion of the biogas and biomethane and digester[16] market;
- Supporting the development of the agri-photovoltaic and on-site photovoltaic market;
- Supporting the transition to sustainable farming practices[17].

2.b.4 BNP Paribas Fortis actions relating to opportunities linked to climate change

Actions related to business opportunities

According to the World Energy Outlook published by the IEA in 2024, global investments in the energy sector are expected to exceed USD 3 trillion for the first time in 2024. Around USD 2 trillion is expected to be spent on clean energy technologies and infrastructure, almost twice the amount dedicated to new oil, gas and coal supply combined. In the NZE (Net Zero Emissions) scenario, low-carbon energies will represent more than 95% of investments by 2035, totalling USD 5.2 trillion.

To meet these challenges and achieve these changes, massive investments are needed from companies, institutional investors and the public sector. By supporting its clients transition to a low-carbon economy, BNP Paribas Fortis is convinced that it can make a positive impact on a more sustainable economy, while ensuring a solid long-term performance.

The opportunities are reflected in BNP Paribas Fortis' strategic plan, derived from the BNP Paribas Group's strategic plan. More specifically, the bank is committed to supporting its clients in their transition to a low-carbon economy. particularly through the Low Carbon Transition Group, as described in the section 2.b 'Impact, risk and opportunity management', point 2.b.5 'Transition resources'.

BNP Paribas Group offers a range of banking and non-banking solutions to support its clients in their energy and ecological transition. These offers cover a range of climate topics: reducing energy consumption, decarbonising energy and financing projects to reduce GHG emissions.

The Group relies on bankers specialising in advisory and sustainable finance, in particular the teams of the LowCarbon Transition Group and the Low Carbon Transition for MidCaps and SMEs. In particular, the following sectors will offer major opportunities:

[16] *A digester is equipment or installation used to break down organic matter through a biological, chemical or thermal digestion process.*

[17] *For BNP Paribas Fortis, the definition of sustainable farming practices includes, among others, organic farming, soil conservation agriculture, agroecology, regenerative agriculture.*

- Energy production: developing new low-carbon energy production capacity and helping finance future technologies such as renewable energy production (wind, solar, geothermal, hydroelectric, marine energy, methanisation);
- Decarbonisation of production: supporting customers throughout their energy and ecological transition strategy, including efforts to reduce their energy consumption, decarbonise energy and reduce their GHG emissions;
- Sustainable mobility: supporting and financing companies and mobility players: public transport, manufacturers etc.

For real-estate acquisition and energy renovation projects for private individuals, BNP Paribas Fortis has developed services and solutions to support its customers with their plans. As part of the My Sustainable Home, the approach taken by operational entities has four main principles:

a. Training advisors on the challenges of decarbonisation in order to raise customers' awareness, in particular on the production and collection of EPC.

   Specifically, BNP Paribas Fortis has trained more than 300 commercial advisors in the field of sustainable residential real estate and conducted information and awareness-raising campaigns to facilitate the process of comparing and changing energy suppliers.

b. Promoting the purchase of efficient properties (better EPC labels) thanks to favourable financing conditions.

   BNP Paribas Fortis has launched HappyNest[18], an innovative solution designed to make sustainable housing more accessible to middle-class families. BNP Paribas Fortis also offers specific mortgage terms and conditions for sustainable assets, including preferential pricing and benefits certified by the Energy Efficient Mortgage Label (EEML).

c. Meeting energy renovation needs through low-priced loans.

d. End-to-end support for often complex energy renovation projects, through partnerships with trusted professionals. This work also includes work diagnostics, budget estimates and projected energy savings, eligibility for aid, and the selection of craftsmen.

To support the decarbonisation of its client's mobility, the Group offers suitable financing and selected vehicles (new, recent and second-hand vehicles), through Arval and BNP Paribas Personal Finance.

Actions related to emissions in the operational scope

BNP Paribas Fortis implements actions to reduce its direct environmental impacts, ensuring consistency with its commitments in financing and investment activities, leading by example, and raising awareness among its clients.

Since 2012, BNP Paribas Fortis has been measuring its energy consumption and GHG emissions across its operational scope (Scope 1, Scope 2 and Scope 3 for business travel, excluding commuting). It is gradually reducing these emissions by lowering energy consumption in its buildings, using less energy-consuming IT equipment, supporting sustainable business travel, and increasing the use of low-carbon energies.

The results of energy saving plans and the optimised building occupancy contributed to a significant reduction in the share of buildings in global emissions.

In 2024, total energy consumption was 169 GWh and decreased by 14 GWh, i.e. 8% compared to 2023 (183 GWh).

In the same year, low-carbon electricity accounted for 84% of total electricity consumption, while the share of renewable electricity was 74%. This electricity was sourced either through the purchase of renewable electricity certificates or from the direct consumption of renewable energy produced by BNP Paribas Fortis buildings. Renewable energy consumption was therefore 52% of the total energy consumed, amounting to 88 GWh in 2024.

These measures help to limit CO_2 emissions associated with BNP Paribas Fortis' electricity consumption, a reduction recognised in the market-based approach[19]. Total emissions for 2024 were 29,443 tCO_2e, i.e. a reduction of 23,861 tCO_2e over the year compared to the location-based calculation.

18 Launched in 2023, HappyNest is the result of a collaboration between BNP Paribas Fortis in Belgium and Matexi, a company active in real estate development. It allows potential buyers to rent an energy-efficient new home and buy it after a few years. Part of the rent paid is then deducted from the purchase price.

19 Market-based method: This approach reflects the GHG emissions of the electricity the company has chosen in the market. This means that Scope 2 carbon emissions will depend on the Scope 1 carbon intensity of the electricity supplier.
Location-based method: This approach uses the average emission factor of the region or country where the electricity is consumed. For example, if the electricity consumption is in France, the company can use the emission intensity of the French energy mix, which is mainly nuclear.

Initiatives for responsible real estate

BNP Paribas Fortis in Belgium has undertaken the following actions to reduce energy consumption in its buildings:

- Monitoring of energy consumption, energy audits and associated action plans and implementing the PLAGE (Local Action Plan for Energy Management) in Brussels;
- Building renovation and portfolio optimisation in Brussels: employees were gathered into a building cluster comprising Montagne du Parc, Rue Royale 20-30 and Chancellerie. The new Montagne du Parc headquarters is heated without fossil fuels, thanks to seasonal thermal storage (STES), and is equipped with photovoltaic panels. It has earned a BREEAM Excellent[20] certificate, a Passive Building certificate[21] and a WELL Gold[22] certificate;
- Developing a Regional Sustainable Masterplan to enhance energy performance and mobility infrastructure for buildings in the regions. Energy-related projects include insulation, technical installations, lighting renovations and the installation of photovoltaic panels.

Initiatives for more sustainable mobility

To encourage its staff members to adopt more sustainable mobility, BNP Paribas Fortis has implemented the following actions in Belgium:

- Introduced a teleworking policy allowing more than 98% of employees to work from home. Approximately three-quarters of eligible employees can work from home for up to 50% of their working hours, reducing commuting;
- Since 2018, employees have been able to lease a bicycle through the remuneration plan (Cafeteria Plan). It can be used for commuting, business travel and personal trips. More than 2,000 bicycles have already been ordered under this plan;
- Enhanced bicycle infrastructure in many buildings (secured parking, showers, etc.) to facilitate daily use;
- Located main office buildings in areas with easy access to public transport: 80% of employees working at the Brussels headquarters use public transport;
- Provision of electric company cars since 2017. In 2024, 95% of orders were for electric vehicles. Charging stations were deployed at the same time;
- Numerous awareness-raising campaigns, such as 'European Mobility Week', test and learning sessions for cyclists, online workshops on bicycle safety, bicycle and work challenges and participation in the Brussels 'Working without my car' campaign.

Initiatives for sustainable IT

The Sustainable Digital Programme has defined 10 principles aligned with the BNP Paribas Group's IT Charter that apply to the entire IT sector around the world. This programme is based on three main objectives:

- Measure the environmental footprint of the IT system;
- Reduce the footprint of the existing information system;
- Ensure the implementation of sustainable and responsible IT in new projects.

The following initiatives are in place at BNP Paribas level:

- Implementation of a methodology for calculating the environmental footprint of the IT system according to the latest international standards;
- Optimised the equipment fleet (Data Centre infrastructure and employee devices) to enhance energy efficiency and increase the use of low-carbon energies while also reducing costs through pooling of equipment and infrastructure;
- Raising awareness and training IT teams on environmental issues.

At BNP Paribas Fortis level in Belgium, additional measures include:

- Executing a cloud migration programme and modernising the IT landscape;
- Partnering with the international social enterprise 'Close The Gap' to recycle its end-of-life equipment;
- Updating purchasing processes to integrate the ESG strategy of its suppliers;
- Developing a common IT and data strategy to identify and reduce data storage and processing duplication.

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20 BREEAM Excellent certification was achieved through an independent, third-party assessment by an accredited BREEAM assessor. The assessment was then followed by quality control by an independent and impartial third-party accredited certification body, BRE Global Ltd.

21 The Passive Building Certificate was obtained through an independent, third-party assessment carried out by Objectif Zero, formerly known as the PMP (Platform Passive House PMP).

22 The WELL Gold certificate was obtained through an independent, third-party assessment by the IWBI (International WELL Building Institute).

2.b.5 Transition resources

Beyond product and service offerings, BNP Paribas Fortis relies on dedicated teams to drive the transition and accelerate climate integration across its businesses. These teams operate both locally and at BNP Paribas Group's level.

The **Group Corporate Engagement Department** is responsible for implementing BNP Paribas Group's CSR strategy. BNP Paribas Fortis relies on its sector experts (oil and gas, agriculture, etc.) and CSR specialists to apply the Group's CSR strategy at the local level, support clients and contribute to ESG risk management in connection with the risk function. The bank is also responsible for communicating CSR progress with the Group Communications Department, and engaging with key stakeholders (NGOs, ESG investors, etc.).

The **BNP Paribas Fortis Company Engagement & Sustainable Business Approach team** facilitates the implementation of Group-wide policies, particularly those related to climate (cfr. section 2.b 'Impact, risk and opportunity management', point 2.b.1 'Climate change mitigation and adaptation policies'). This team also has the mission of equipping employees with the CSR strategy and the sustainable offer. It has 13 employees who work exclusively on CSR topics.

The **SBCC (Sustainable Business Competence Centre) in Belgium**, a six-member team established in 2008, supports Corporate Banking relationship managers and their clients in their transition. The SBCC offers guidance on, among other things, the financing of renewable energy projects in Belgium, and also develops dedicated product offering as well as partnerships, including a collaboration with Climact[23].

The **Low-Carbon Transition Group**, created in 2021 by BNP Paribas Group and to which BNP Paribas Fortis contributes, is a global platform uniting nearly 250 bankers across the world, dedicated to supporting clients, companies and international institutions in accelerating their transition to a sustainable and low-carbon economy. A range of banking and non-banking solutions is used to support decarbonisation efforts across key sectors such as energy, mobility and industry. In addition to renewable and nuclear energy, the bank has developed expertise in new value chains such as batteries, green hydrogen and low-carbon fuels, as well as CO_2 sequestration.

At the same time, the **Low-Carbon Transition for MidCaps (LCTM) and SMEs** is an initiative dedicated to this customer segment, bringing together the sustainable finance teams of the Corporate Banking business lines within CPBS, including the SBCC of BNP Paribas Fortis. Its aim is to accelerate support for customers' sustainability transitions and contribute to credit portfolio management in line with climate commitments.

The **Sustainability Academy**, launched by the Group at the end of 2022, is a scalable training platform designed to educate employees on the challenges of the ecological transition and climate change, while also enhancing their skills in this area. In early 2023, BNP Paribas Fortis launched its own version in Belgium, the Sustainability Academy by BNP Paribas Fortis, adapted to its specific context and employees.

The Finance, Risk and ALM Treasury functions of the Group have created a joint **Stress Testing & Financial Simulations** (STFS) team, responsible for the deployment of ICAAP's stress testing activities, including climate resistance tests

The Group's **Climate Analytics and Alignment** team comprises employees from the Group Corporate Engagement Department and CIB Global Banking EMEA. It develops and applies portfolio alignment methodologies by business sector, in accordance with market standards, and calculates key metrics to manage the credit portfolio for high-emission industries and external reporting.

[23] *Climact is a Belgian consulting firm that analyses the activities of corporate clients, determines their carbon footprint and develops a decarbonisation strategy. More information can be found in: www.climact.com.*

2.c Metrics and targets

2.c.1 BNP Paribas Fortis targets and metrics related to its impact on climate change

Targets and metrics on credit portfolios

In line with BNP Paribas Group's strategy, BNP Paribas Fortis has decided to gradually align its credit portfolio with the objectives of the Paris Agreement and contributes, within its scope, to the Group's objectives. In 2021, the BNP Paribas Group committed to defining intermediate alignment targets for the most GHG emitting sectors that are compatible with the NZE scenarios for 2050, particularly those of the IEA (International Energy Agency).

For each sector, BNP Paribas Group has chosen a baseline year that is no earlier than two years prior to the time of setting the targets, i.e. between 2020 and 2022.

Since 2022, BNP Paribas Group has progressively set targets for financed GHG emissions, using absolute values for the oil and gas sector, and GHG intensity targets for the other sectors in its portfolio. BNP Paribas Fortis has the most significant impact in the following sectors:

- Oil & Gas Industry;
- Commercial Real Estate;
- Residential Real Estate;
- Agriculture.

TABLE No. 9: SUMMARY OF BASELINES, EMISSIONS AND TARGETS IN INTENSITY AND ABSOLUTE VALUE OF THE MAIN GHG EMISSION SECTORS

	Methodology				Targets and reference*		
	Emission scope	Greenhouse gases considered	Scenario	Unit	Baseline [Year to 31/12 unless specially mentioned]	N [Year to 31/12]	Target [Year to 31/12]
Oil and Gas Industry	-	-	IEA NZE 2050	Upstream credit exposure in billions of euro	Oil: 5.0 Gas: 5.3 [Q3 2022]	Oil: 2.2 Gas: 2.7 [2024]	Oil: ≤ 1 (-80%) Gas: ≤ 3.7 (-30%) [2030]
	1, 2 and 3 (upstream and refining)	Target		$MtCO_{2e}$	27.3 [Q3 2022]	9.5 [2024]	≤ 8.2 (-70%) [2030]
Commercial Real Estate	1, 2 and where applicable 3 cat. 13 (ownership and operation of buildings)	CO_2, N_2O, CH_4, fluorinated gases	CRREM[24] V2.02	$kgCO_2e/m2$	28.4 [2022]	27.7 [2023]	16.7 – 19.5 (-41 to -31%) [2030]
Residential Real Estate	1 & 2 (ownership and operation of buildings)	CO_2, N_2O, CH_4, fluorinated gases	CRREM V2.02	$kgCO_2e/m2$	Group: 35.5 Belgium: 59.7 [2022]	Group: 35.0 Belgium: 58.4 [2023]	-

** Targets defined for the entire Group. Only the 'residential real estate' reference base is defined at BNP Paribas Fortis level.*

[24] *Carbon Risk Real Estate Monitor*

Oil and gas sector

Since 2023, BNP Paribas has strengthened its ambition to reduce its activity in the oil and gas sector with three 2030 targets. BNP Paribas has committed to reducing:

- **by 80%** its upstream oil credit exposure at the end of 2030, i.e. to less than 1 billion euros by 2030, compared to its exposure of 5 billion euros at the end of September 2022;
- **by 30%** its upstream gas credit exposure over the same period, which was 5.3 billion euros at the end of September 2022;
- **by 70%** its oil and gas financed emissions (exploration, production and refining) over the same period, i.e. a level less than or equal to 8.2 $MtCO_2e$ compared to 27.3 $MtCO_2e$ at the end of September 2022. This target is more ambitious than the IEA's NZE scenario, which considers necessary to reduce the sector's emissions by 34% between 2022 and 2030.

The measurement of the sector's financed emissions is calculated by BNP Paribas Group using the following data sources:

- CO_2 and CH_4 emissions for scopes 1 and 2 ($MtCO_2e$ per year) are from Wood Mackenzie for each counterparty from exploration and production to refining ;
- CO_2 emissions for scope 3 are calculated based on oil and gas volumes extracted by each counterparty, using data from Wood Mackenzie to which emission factors computed using IPCC 2006 Guidelines for National Greenhouse Gas Inventories and the IEA's NZE scenario are applied;
- corporate equity and debt are calculated by BNP Paribas from three-year averages of corporate data.

Commercial real estate sector

Scopes 1, 2 and part of Scope 3 are included (Scope 3 is limited to category 13, downstream leased assets, which accounts for the Scope 1 and 2 emissions of the tenant). CO_2, CH_4, N_2O and fluorinated gases (when data is available) are included.

BNP Paribas Group and BNP Paribas Fortis focus on emissions related to building use (ownership and operations), which account for around 75% of the sector's value chain emissions. Construction-related emissions are not included. However a significant part of these emissions is already included in other BNP Paribas Group alignment targets (cement and steel production, for example).

The metric used is an emission intensity in $kgCO_2$ equivalent per square metre. To obtain an aggregated measure, emission intensities are weighted by credit exposures.

BNP Paribas Group has set a target for 2030 of between 19.5 and 16.7 $kgCO_2e/m2$, i.e. a reduction range of 31% to 41% compared to 2022. This reduction range remains lower than what the CRREM scenario V2.02 prescribes for 2030 but reflects existing projections in the individual countries. The Group's ability to achieve this target is highly dependent on factors beyond the Group's control, such as changes in the energy mix of countries, the development of local real estate regulations in terms of Energy Performance Certificates (EPC) or national strategies for the transition to a more sustainable economy.

Residential real estate sector

BNP Paribas Group and BNP Paribas Fortis have focused on the acquisition of property and the operation of buildings (Scopes 1 and 2), which represents 75% of total emissions over a building's lifetime. For Scope 3, emissions related to transport and distribution losses are excluded, as recommended by CRREM.

At the end of 2024, Belgium accounted for nearly 32% of the CPBS Division's outstanding real estate loans in Europe (France, Belgium, Italy, Luxembourg, Poland and Turkey networks).

The baseline calculation is based on Scope 1 and 2 emissions according to the CRREM methodology. CO_2, CH_4, N_2O and fluorinated gases (when data is available) are included.

At the national portfolio level, emission intensity, expressed in $kgCO_2$ equivalent per square metre, is weighted by the square metres financed, in line with the PCAF methodology. At BNP Paribas Group level, the intensity-based measurement is weighted by the number of assets BNP Paribas Group finances in each country. BNP Paribas Fortis used EPCs, where available, or public data sources to calculate the emission intensities of its residential real estate portfolio.

It has been decided not to set quantitative targets for its residential real estate credit portfolio. This decision is based on several factors:

- Decarbonisation efforts depend heavily on the local energy mix, which varies across European countries;
- The sector is subject to frequent regulatory changes, creating uncertainty about public support schemes; at the same time, easing regulatory constraints on energy renovation could accelerate progress;
- Decarbonising the sector requires diverse and coordinated actions from decision-makers, financial institutions, sector experts and consumers;
- Finally, BNP Paribas Fortis wants to ensure a balance between the necessary decarbonisation and a fair transition by supporting all households in European countries in accessing and transitioning to sustainable housing.

Agricultural sector

To decarbonise its portfolio in this sector, BNP Paribas Group, like several other financial institutions and in line with the recommendations of the World Business Council for Sustainable Development (WBCSD), focuses on the cultivation and farming phase, which occurs upstream of food processing activities. Emissions in this segment include Scopes 1 and 2 of customers.

BNP Paribas Group and BNP Paribas Fortis decided not to set quantitative targets for this sector, mainly for the following reasons:

- Agriculture is a highly fragmented sector with a wide variety of crops and very different emission profiles depending on the type of crop, the product grown, the country, the weather conditions, the soils used, the cultivation practices, etc.;
- The lack of client-level climate data poses significant challenges for portfolio alignment;
- The embryonic methodologies at this stage and the lack of appropriate scenarios are also obstacles to setting objectives.

2.c.2 BNP Paribas Fortis targets and metrics related to its opportunities on climate change

Targets and metrics related to the business activities of the BNP Paribas Group

As presented in section 2.b 'Impact, risk and opportunity management', point 2.b.4 'BNP Paribas Fortis actions relating to opportunities linked to climate change', BNP Paribas Group has defined a performance indicator that is included in its CSR dashboard. This indicator represents the cumulative financial support between 1 January 2022 and 31 December 2024 to projects that contribute to the transition to a low-carbon economy. It includes loans, bonds and support in the form of private issues, financial advice and Initial Public Offerings (IPOs). BNP Paribas Group has set a target of 200 billion euros by 2025.

In addition, BNP Paribas Group has committed to reaching 40 billion euros in credit exposure for low-carbon energy projects, by 2030 (i.e. 90% of the credit exposure dedicated to the energy production sector), according to the definition of low-carbon energies in chapter 8. 'Annex', section 8.b 'Climate change', point 8.b.1 'BNP Paribas Group credit exposure to low carbon and fossil energies'.

Targets and metrics related to the operational scope

Approach and metrics

The data necessary for calculating operational scope indicators across BNP Paribas Group are collected annually from the Group's main territories (20 in 2024) based on employee headcount (i.e. 90% of the Group's total workforce) and of which BNP Paribas Fortis is an integral part. An extrapolation method is used to estimate environmental data for the remaining BNP Paribas' locations not included in the reporting. The data collection period covers 12 months, from October (N-1) to September (N). The number of FTEs is the number officially determined by HR Group on 31 December of the year considered.

The measurement of CO_2 equivalent emissions of the Group's operational scope is based on the GHG Protocol's reference methodology. This includes the energy consumed in the buildings occupied by BNP Paribas Group (electricity, gas, fuel oil, district heating) and the energy consumed during business travel by car, train or plane (excluding commuting).

Due to its activities, BNP Paribas Group and BNP Paribas Fortis do not generate a significant noise pollution or any other specific industrial pollution.

The Group's operational emissions target, adopted by BNP Paribas Fortis, is to be less than or equal to 1.85 tCO_2e[25] per FTE in 2025, reflecting a reduction of -20.2% in 2025 compared to 2019. BNP Paribas Fortis has achieved this target. Information on BNP Paribas Fortis GHG is included in section 2.c 'Metrics and targets', point 2.c.4 'Gross GHG emissions'.

2.c.3 Energy consumption and energy mix

BNP Paribas Fortis presents its energy consumption and associated energy mix below. Additionally, the bank reports on the electricity generated by photovoltaic installations across several of its sites.

TABLE No. 10: ENERGY CONSUMPTION AND ENERGY MIX OF BNP PARIBAS FORTIS

Energy consumption and energy mix	2024
(1) Total fossil fuel energy consumption (in MWh)[26]	68,303
Share of fossil fuels in total energy consumption (in %)	40.5%
(2) Consumption from nuclear sources (in MWh)	12,202
Share of consumption from nuclear sources in total energy consumption (in %)	7.2%
(3) Fuel consumption from renewable sources, including biomass (including bio-based industrial and municipal waste, biogas, renewable hydrogen, etc.) (in MWh)	NA
(4) Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (in MWh)	87,449
(5) Self-produced non-combustible renewable energy consumption (in MWh)	649
(6) Total renewable energy consumption (in MWh) (calculated as the sum of lines 3 to 5)	88,098
Share of renewable sources in total energy consumption (in %)	52.3%
Toal energy consumption (in MWh) (calculated as the sum of lines 1, 2 and 6)	**168,603**

2.c.4 Gross GHG emissions

Operational Scope 1, 2 and 3 emissions

In 2024, BNP Paribas Fortis' total emissions on its operational scope amounted to 53,304 tCO_2e (expressed in location-based terms), representing a 6% decrease compared to 2023 and a 54% decrease compared to 2019, the reference year before the COVID-19 pandemic.

These emissions equal to 1.54 tCO_2e/FTE, which is below the maximum target set for 2025 (1.85 tCO_2e/FTE). Scope 1 emissions amounted to 9,059 tCO_2e, Scope 2 amounted to 29,151 tCO_2e, and Scope 3 emissions linked to business travel amounted to 15,094 tCO_2e.

For Scope 3, only emissions from business travel are included (category 6). The Scope 3 assessment remains partial given the high approximation levels, as it currently relies on generic emission factors based on financial data.

GHG emissions related to business travel[27] are calculated on the basis of kilometres travelled and are linked to:

- Air and rail travel bookings made with the travel agencies with which BNP Paribas Fortis has agreements;
- Trips made using leased or personal vehicles.

25 Occupational activities emit GHGs other than CO2. These emissions include CO2, CH4, N2O and fluorinated gases.

26 Details of total fossil fuel consumption are not published as BNP Paribas Fortis is not active in high-impact sectors.

27 Business travel does not include commuting.

Scope 3 emissions from financed operations

As of 31 December, 2024, the financed emissions of BNP Paribas Fortis' counterparties are 15,130,848 tCO_2e for scope 1 and 2, and 6,936,379 tCO_2e for scope 3, for a total (scope 1, 2 and 3) of 22,067,227 tCO_2e.

BNP Paribas Fortis refers to the GHG Protocol, which defines financed emissions from sources of direct corporate financing in the form of equity, debt and project financing. The calculation for other types of activities is optional and includes: investment and asset management activities, insurance contracts, financial advisory services, and contracts on financial instruments such as derivatives, financial guarantees, securitised products, funds. Off-balance sheet items such as assets under management are not included in the calculation.

BNP Paribas Fortis' financed GHG emissions cover transactions recorded on the bank's balance sheet within the banking book, and are attributable to non-financial corporate clients within the prudential consolidation scope of BNP Paribas Fortis. This approach aligns with sector disclosure requirements on climate change transition risks, as defined by the EBA 's technical implementation standard EBA/ITS/2022/01[28]. The table below outlines the excluded and included outstandings for BNP Paribas Fortis' financed emissions.

TABLE No. 11: SCOPE OF ASSETS INCLUDED IN THE CALCULATION OF GHG EMISSIONS FINANCED (SCOPE 3, CATEGORY 15)

	In millions of euros
Total assets of the BNP Paribas Fortis' balance sheet as of December 31, 2024	**379,846**
Restatement of insurance companies and other restatements related to consolidation methods	(282)
Total assets of the Prudential BNP Paribas Fortis' balance sheet	**379,564**
Exclusion of non-financial assets(1)	(57,758)
Exclusion of other assets(2)	(36,781)
Exclusion of mark-to-market financial instruments by profit or loss	(11,017)
Exclusion of loans to retail clients (mortgage, consumer and car loans)	(100,593)
Exclusion of loans, equity instruments and debt securities with governments and institutions	(62,948)
Total net amount loans and debt securities with non-financial corporations	**110,466**
Reintegration of impairments on loans and debt securities with non-financial corporations	1,956
Total gross amount of loans and debt securities with non-financial corporations	**112,423**

(1) Tangible and intangible fixed assets, goodwill, deferred tax assets, accruals and other assets.

(2) Cash, hedging derivatives, shares in equity-method investments.

28 *Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR.*

The exclusions of financial assets presented in the table are justified as follows:

- The asset portfolios of insurance companies are adjusted from the prudential balance sheet scope (restated as equity method investment) and must be considered separately from the banking portfolio. BNP Paribas Fortis insurance companies subject to SFDR and LEC 29[29] publish their own carbon footprint. Pending sector-specific standards for the insurance sector under the CSRD, the emissions linked to the portfolio of financial assets on the insurance balance sheet are not included in the BNP Paribas Fortis' estimate of financed emissions. Work is ongoing within the bank to align methodologies and data sources ahead of the convergence of regulatory reporting guidelines.
- Financial instruments accounted for at fair value through profit or loss correspond to the trading book of BNP Paribas Fortis, whose business model involves reselling market positions in a liquid market with the intention of generating a short-term profit. This type of transaction differs from a financing operation, and, to date, no commonly accepted method exists for measuring the GHG emissions attributable to this business model. Moreover, their exclusion aligns with the treatment of assets under the European Taxonomy regulation.
- Exposures to banks and central governments correspond to BNP Paribas Fortis' liquidity portfolio, which is held to manage interest rates and liquidity risks. This includes maintaining a portfolio of high-quality liquid assets (HQLA) and does not follow a financing or investment business logic.
- Similarly, interbank assets are short-term assets that are managed for cash flow management and interbank market feeding logic. They are therefore excluded from the calculation.
- Lastly, credits granted to retail customers are also excluded from the estimate published by BNP Paribas Fortis insofar as:
  - There is no demonstrated correlation between a borrower's probability of default and the level of GHG emissions or energy consumption of the financed asset;
  - Financed real estate assets are primarily exposed to physical risks, while GHG emissions are an indicator of transition risk;
  - Sufficient actual data (EPC before and after renovation, vehicle registration number) is not available at a scale necessary for a representative estimate of financed emissions.

To calculate Scope 3 GHG emissions, BNP Paribas Fortis uses the methods presented in the table below:

TABLE No. 12: DETAILED GHG EMISSION CALCULATION METHODS

Scope 3 emission category		Detailed emission calculation method
1.	**Purchased goods and services**	
2.	**Capital goods**	
3.	**Activities in the fuel and energy sectors (not included in Scopes 1 and 2)**	
4.	**Upstream transport and distribution**	
5.	**Waste generated in operation**	
6.	**Business travel**	The emission factors necessary to value the kWh consumed in the 20 territories are taken from the 2023 publications of the IEA. For the valuation of kilometers, BNP Paribas Group relies mainly on the DEFRA baseline.[30]
7.	**Employee commuting**	
8.	**Upstream leased assets**	
9.	**Downstream transportation and distribution**	
10.	**Processing of products sold**	

[29] *Article 29 - LAW No. 2019-1147 of 8 November 2019 on energy and climate*

[30] *Department for Environment, Food & Rural Affairs*

Scope 3 emission category	Detailed emission calculation method
11. Use of sold products	
12. End-of-life treatment of sold products	
13. Downstream leased assets	
14. Franchises	
15. Investments	The reporting of GHG emissions attributable to the banking portfolio of financial assets recognised as equity and debt follows the PCAF Financed Emission Part A methodology and complies with the sector disclosure requirements on climate change transition risk as defined by the EBA's technical implementation standard EBA/ITS/2022/01. Details on the calculation methodology can be retrieved below.

The estimate of GHG financed emissions of the counterparts is calculated according to the PCAF Standard A methodology. In order to determine the share of emissions affected to BNP Paribas Fortis' financing, the scope 1 and 2 emissions reported by the counterparts are weighted by the share of financing held by BNP Paribas Fortis over the client's total financing, represented by the enterprise value for listed companies and the total equity and debt (loans and debt securities) for unlisted companies. The average data quality score of BNP Paribas Fortis' financed emissions according to PCAF standard is 4.5 as of end of December 2024. It is determined by weighting the gross carrying amount by the quality score of the GHG emissions used. The scale of data quality score ranges from 1, for collected and verified data, to 5 for the average sector and regional intensities.

The estimated amount of GHG financed emissions of the bank's counterparts on their scope 1 and 2 is 15.1 MtCO_2e.

Scope 1 and 2 GHG data collected from counterparts or data providers cover 14% of the total BNP Paribas Fortis' outstanding amount granted to non-financial corporates. Where clients' GHG emissions are not available, BNP Paribas Fortis relies on average emissions intensities of the counterpart's sector to complete the scope of calculation. BNP Paribas Fortis uses Exiobase estimates provided by PCAF, more specifically the emission intensities expressed in terms of GHG emissions per unit asset lent or financed (CO_2e/M€) for a given sector and geography. In line with PCAF recommendations, BNP Paribas Fortis applies emissions intensities at sector and regional level.

The estimated amount of GHG financed emissions of the BNP Paribas Fortis' counterparts on their scope 3 is 6.9 MtCO_2e as of 31 December 2024 in the oil and gas and automative sectors, which are the sectors for which, at this stage, BNP Paribas Fortis has reliable and relevant data.

When data is not reported by clients of these sectors, BNP Paribas Fortis does not use the average intensities by sector and geography proposed by PCAF. Indeed, PCAF intensities are limited to the upstream activities of the value chain and do not cover the use of fuels of the downstream activities. Therefore, they are largely underestimated. BNP Paribas Fortis applies average intensities per euro cent observed on the counterparts of these sectors which are in the bank's portfolio and for which the data are available. These estimates are of low quality and are likely to change significantly downwards or upwards along with clients' disclosures. Overall, scope 3 data is available for less than 8% of the bank's outstanding amount granted to non-financial corporates.

In sectors other than oil and gas and automotive, GHG data are either not published by counterparts (coverage below 30%) or appear to be non-homogeneous and linked to segments of the value chain for which there are no decarbonisation levers that can be directly actionable.

To note that for Arval, the calculation of the GHG emissions for 'Capital goods' covers the purchase of vehicles leased by customers. The calculation for 'Downstream leased assets' covers the emissions associated with the use phase of the vehicles leased by customers during the year, including direct emissions from fuel combustion, indirect emissions from electricity generation and upstream emissions related to energy. Finally, the calculation for 'Use of sold products' covers the emissions associated with the use to end-of-life phase of the vehicles that Arval sold in the year of publication, including direct emissions from fuel combustion, indirect emissions from electricity generation and upstream energy-related emissions. Arval publishes more information on its GHG emissions calculation methodology in detail in its management report in accordance with CSRD.

Summary of gross GHG emissions of Scopes 1, 2, 3 and total emissions of BNP Paribas Fortis

TABLE No. 13: SUMMARY OF BNP PARIBAS FORTIS GHG EMISSIONS BY SCOPE

	2024
Scope 1 GHG emissions	
Gross scope 1 GHG emissions [tCO_2e]	9,059
Percentage of Scope 1 GHG emissions resulting from regulated emission trading schemes (in %)	
Scope 2 GHG emissions	
Gross Scope 2 GHG emissions based on location (tCO_2e)	29,151
Gross Scope2 GHG emissions based on market ($teqCO_2e$)	5,290
Significant Scope 3 GHG emissions	
Total indirect gross GHG emissions (Scope 3) (tCO_2e)	22,082,321
1 Purchased goods and services	
2 Capital goods	
3 Fuel- and energy-related activities (not included in Scopes 1 and 2)	
4 Upstream transport and distribution	
5 Waste generated in operation	
6 Business travel	15,094
7 Employee commuting	
8 Upstream leased assets	
9 Downstream transportation and distribution	
10 Processing of products sold	
11 Use of sold products	
12 End-of-life treatment of sold products	
13 Downstream leased assets	
14 Franchises	
15 Investments	22,067,227
Total GHG emissions	
Total GHG emissions (location-based) (tCO_2e)	22,120,531
Total GHG emissions (market-based) (tCO_2e)	22,096,670

In addition, GHG emissions related to the fleet of vehicles leased by Arval to its customers (which are not included in the table above) amount to 23.3 $MtCO_2e$ for 2024 and covers all scopes. In accordance with the GHG Protocol, they cover the main phases of the vehicle life cycle: manufacture, use during the rental period, and use after the vehicles have been sold until their end of life (Scope 3 categories 'Capital goods', 'Downstream leased assets' and 'Use of products sold').

Arval publishes the detailed inventory of its GHG emissions in its management report in accordance with the CSRD.

Intensity of GHG emissions

In the absence of established standards for applying the GHG intensity per income indicator for financial institutions, BNP Paribas Fortis publishes its internally used metric. This metric represents the carbon footprint of the portfolio expressed as the intensity of GHG emissions per unit of financed assets, i.e. 0.20 $MtCO_2e$ per billion euro financed as at 31 December 2024, aligned with the perimeter disclosed in table 11.

2.c.5 GHG absorption and mitigation projects financed by carbon credits

Since 2017, BNP Paribas Group has annually purchased voluntary carbon credits equivalent to the residual GHG emissions from the previous year's operational scope (sum of emissions linked to its Scopes 1 and 2 and part of its Scope 3).

In 2024, the Group purchased the equivalent of BNP Paribas Fortis' emissions for 2023 (expressed according to the market-based approach).

The voluntary carbon credits purchased in 2024 come from four projects outside the Group's value chain:

- In Kenya, the Kasigau project, supported by the Group since 2017, is a conservation and restoration programme covering 200,000 hectares of forest. Led by the NGO Wildlife Works, it also funds access to healthcare, water and education for local populations;
- In India, the project is based on a ten-year voluntary carbon compensation programme as part of a partnership between BNP Paribas and the GoodPlanet Foundation, through the construction of 13,000 biodigesters. These provide four hours of gas per day, reducing deforestation, and improving the living conditions of nearly 70,000 people;
- In Guatemala, hundreds of landowners including local communities have come together to protect nearly 60,000 hectares of forest by developing sustainable livelihoods that restore rather than degrade the forest and create better living conditions for residents;
- In Peru, the Qori Q'oncha programme is distributing improved wood-fired stoves in several regions of the country. This both reduces the amount of wood used and reduces carbon emissions while eliminating harmful fumes from homes.

The carbon credit calculations for these projects were certified by Verra (Verified Carbon Standard), except for the Peruvian project, which was certified by Gold Standard.

3 Activities aligned with the European Taxonomy

3.a Overview of the regulatory framework and disclosure obligations for financial institutions

The European Taxonomy (hereinafter referred to as the Taxonomy) is a system for classifying economic activities according to their contribution to the six[1] environmental objectives defined by the European Commission through various Regulations and Delegated Acts published between June 2020 and November 2023[2].

The taxonomy is based on two core principles:

- **Eligibility** – an activity is considered eligible if it is described in one of the Taxonomy Delegated Regulations because of its strong potential to contribute to any one of the six environmental objectives;
- **Alignment** – an activity is considered aligned if it demonstrates a significant contribution to one of the six environmental objectives based on measurable criteria. An aligned activity is defined[3] as one that substantially contributes to one of the environmental objectives without causing significant harm to any of the other objectives. This means that the activity must meet all the technical screening criteria described in one of the delegated regulations and comply with minimum guarantees.

For a credit institution, the main alignment indicator is the Green Asset Ratio (GAR), which relates to financing instruments. This GAR publication is accompanied by the green ratio for financial guarantees and the green ratio for assets under management.

The approach retained, presented below, is based in particular on most of the frequently asked questions (FAQs) published by the European Commission on 8 November 2024 (4) concerning the interpretation of certain provisions of Delegated Regulation (EU) 2021/2178. On the other hand, BNP Paribas Fortis did not take into account the FAQs introducing a conglomerate indicator in reference to Annex XI of Delegated Regulation (EU) 2021/2178, which was not provided for in the initial regulation.

3.b Scope of financial assets subject to alignment analysis

Each indicator is calculated based on the scope of prudential consolidation as presented in the 'Risk Management and Capital Adequacy' chapter of the annual report, in accordance with European Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

3.b.1 Green asset ratio (GAR)

The measurement of financial assets covered by the Taxonomy Regulation is based on the gross carrying amount, i.e. before taking into account any provisions.

The numerator of the ratio measures the amount of the financial assets corresponding to Taxonomy-aligned activities. Its scope of analysis covers the following financial assets (in the form of loans and advances, debt securities, equity instruments and repossessed property collaterals):

- Outstandings on European companies subject to the NFRD in 2024;
- Outstandings on European households on the three categories of loans covered by the regulations (housing loans; energy renovation loans; car loans granted since 1 January 2022);
- Outstandings on local administrations for public housing financing and other specialised financing, i.e. for which the allocation of funds is known;
- The carrying amount of the repossessed property collateral.

1 Climate change mitigation, climate change adaptation, sustainable use and protection of aquatic and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

2 EU Regulation 2020/852 of 18 June 2020, EU Delegated Regulation 2021/2139 of 4 June 2021, Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Commission Delegated Regulation (EU) 2021/2139.

3 EU Regulation 2020/852 of 18 June 2020.

The denominator of the ratio includes, in addition to the financial assets covered by the alignment analysis for the calculation of the numerator, the following asset classes: interbank current deposits, outstandings on hedging derivatives, outstandings to European companies not subject to the NFRD in 2024 and outstandings with non-European counterparties, outstandings on households not corresponding to the three categories of loans covered by the GAR (which are housing loans, energy renovation loans and car loans), cash on hand, other assets (e.g. tangible and intangible fixed assets, deferred tax assets).

This inclusion of assets in the denominator that are excluded from the numerator alignment analysis (44.6% of the total balance sheet assets, in gross carrying amount) causes a structural imbalance in the indicator. As a result, this ratio cannot be considered a representative measure for alignment.

Exposures to central governments, central banks or supranational issuers are not covered by the regulation, and represent 16.1% of the total assets on the balance sheet, in gross carrying amount.

The GAR stock measure indicator is complemented by the GAR flow indicator, which reflects the share of the change in aligned asset stock within the total change of covered assets included in the GAR denominator over the period. It is calculated as the difference in aligned assets (loans and advances, debt securities, equity instruments, and foreclosed real estate collateral) between the end-of-period and the beginning-of-period stock. This method is applied to all flow indicators (GAR, green ratio of financial guarantees, and green ratio of assets under management) to ensure consistency and in the absence of published clarifications regarding the flows of off-balance-sheet ratios.

3.b.2 Ratios of green off-balance-sheet assets

With regard to the green ratio of financial guarantees, the scope of the guarantee' alignment analysis, used to calculate the ratio numerator, covers financial guarantees whose counterparties are European companies subject to the NFRD in 2024. The denominator includes all financial guarantees granted to companies irrespective of whether they are covered by the regulation. Again, this creates a structural imbalance in the ratio. Therefore, this ratio cannot be considered a representative measure for alignment.

With regard to the green ratio of assets under management, the scope of the alignment analysis covers instruments invested in European companies subject to the NFRD in 2024 and investments in real estate assets. They correspond to the discretionary management of client portfolios in respect of investment funds, equity instruments, debt securities and investments in real estate assets. The same structural imbalance is observed, i.e. the denominator includes all instruments regardless of their regulatory coverage. Therefore, this ratio cannot be considered a representative measure for alignment.

Exposures to central governments, central banks or supranational issuers are also excluded from off-balance sheet indicators.

Indicators of green off-balance sheet assets, in a flow-based approach, could be calculated for the 2024 financial year, based on a method similar to the method used for the GAR flow indicator.

3.c Methodology for alignment qualification under the European Taxonomy

The analysis of financial asset eligibility and Taxonomy alignment is based on differentiated approaches depending on the counterparty category: companies subject to the NFRD in 2024, local governments, European households and investment funds.

For counterparties subject to the NFRD, when the funds of the financial instrument are not specifically allocated, the bank collects, via data providers, the share of alignment published by the counterparties, measured based on their aligned turnover and capital expenditure (CapEx). This methodology applies to the three ratios: the GAR, the green ratio for Financial Guarantee and the green ratio for assets under management.

It should be noted that Arval's assets are consolidated within the prudential balance-sheet overall. As the assets held by Arval are not eligible for the GAR numerator, neither the aligned share of Arval's turnover nor the aligned share of Arval's CapEx are reflected in BNP Paribas Fortis' GAR.

With regard to financing granted to companies and local administrations, where the use of funds is known, the alignment measure should rely on information collected from the counterparty. The European Commission's has clarified the interpretation of certain provisions of Delegated Regulation (EU) 2021/2178. It specifies that banking institutions must collect supporting documents proving that each alignment of the technical criteria has been met. However, the level of collection and verification of these elements imposed by the European Commission communication of 8 November 2024 is not fully feasible. For this reason, no financial instruments whose use of funds is known have been included in the GAR-numerator whether related to companies or local administrations.

For household loans, a similar approach should be taken to assess the alignment of: housing loans, energy renovation loans and car loans. This requires collecting evidence justifying both key energy or low-carbon performance criteria and the additional criteria demonstrating no negative impacts on the other five environmental objectives. BNP Paribas Fortis can apply this comprehensive assessment approach only in relation to home loans, using its internal system for assessing physical climate risks. For energy renovation loans and car loans, the bank collects evidence for the key energy or low-carbon performance criteria, but cannot assess the criteria ensuring no negative impacts on the other five environmental objectives. Thus, the numerator of the GAR includes, in respect of household loans, only housing loans.

For investment funds covered by the green ratio of assets under management, particularly those in portfolios under management mandate, BNP Paribas Fortis has integrated the first investment fund alignment indicators published by those subject to the SFDR EU 2019/2088.

3.d Alignment indicator amounts at 31 December 2024

Summary of key performance indicators (KPI) to be published by credit institutions in accordance with article 8 of the taxonomy regulation

TABLE No. 14: MAIN KPI SUMMARY

in millions of euros		31 December 2024						
		Total environmentally sustainable assets (turnover)	Total environmentally sustainable assets (CapEx)	KPI (turnover)	KPI (CapEx)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	9,780	9,995	3.05%	3.12%	39.23%	44.64%	16.13%

TABLE No. 15: ADDITIONAL KPI SUMMARY

in millions of euros		31 December 2024			
		Total environmentally sustainable assets (turnover)	Total environmentally sustainable assets (CapEx)	KPI (turnover)	KPI (CapEx)
Additional KPIsl	GAR (flow)	9,220	9,064	(20.20)%	(19.87)%
	Financial guarantees	262	362	1.97%	2.72%
	Assets under management	470	516	3.69%	4.05%

BNP Paribas Fortis' GAR measured using counterparty turnover indicators, amounted to 3.05% of covered assets at the end of December 2024.

The aligned share of Arval's turnover, in relation to its products associated with the leasing and sale of vehicles, amounts to 13.8% (2024), for an eligible share of 97.2%, while the aligned share of its capital expenditure (cost of acquisition of vehicles) is 24.7%, for an eligible share of 99.3%.

Regarding BNP Paribas Fortis' GAR, eligible and non-aligned assets represent 24.1% of the assets covered. These assets are essentially eligible for the two climate objectives (24.0% of covered assets), with a negligible share (0.1%) being eligible for other environmental objectives.

The negative value of the GAR KPI flow (turnover), being (20.2)%, is explained by a decrease in covered assets (denominator) following (a) the prudential consolidation of Arval and (b) a modification in methodology during the year 2024 to identify the NFRD counterparties. The numerator was only limited impacted by these changes and mainly includes aligned housing loans which were added in 2024, thanks to the methodology described here-above.

In addition to the 13 standard tables, BNP Paribas Fortis publishes nine additional tables related to the GAR stock indicator (measured based on turnover and CapEx) concerning the financing of activities linked to nuclear energy and fossil gas. It was considered that the publication of additional tables to the other alignment indicators, of a more secondary order than the GAR, would only provide marginally useful information.

3.e Limits of the regulatory ratios for alignment with the European Taxonomy

The GAR and other taxonomy-aligned indicators applicable to banks face methodological imbalances and operational complexity. As a result, they do not fully reflect the financing of the transition to a low-carbon economy for BNP Paribas Fortis.

Firstly, the Taxonomy alignment analysis only concerns companies subject to the NFRD under the 2024 financial year, European households, and specialised financing granted to European local governments.

The regulation excludes financing for SMEs and non-European companies. Additionally, it does not allow the inclusion of projects housed in dedicated vehicles, which are not subject to NFRD regulations in 2024, even if they relate to the financing of low-carbon infrastructure in Europe. Finally, the scope of the ratio limited to large companies subject to the NFRD regulation in 2024 is very restrictive given the BNP Paribas Fortis' diversified business model.

As a result, the imbalance between assets in the numerator alignment analysis scope and all assets covered in the denominator creates a structural ceiling for each of BNP Paribas Fortis' ratios, including the GAR, at 46.8% in 2024. This ceiling is lower the more the business model is diversified in terms of customers, products and geography.

The Taxonomy-alignment criteria are inherently ambitious, as they correspond to thresholds that are scientifically compatible with the EU's 2050 carbon neutrality target. However, by only proposing an aligned or non-aligned result, the transition trajectory is not taken into account, even if it is the subject of a long-term effort already undertaken by BNP Paribas Fortis and its customers.

Additionally, the climate performance criteria are accompanied by multiple additional conditions to ensure that the activity does not significantly harm any of the other five environmental objectives of the taxonomy. Assessing these latter conditions is complex, as there are issues relating to the interpretation of texts and access to information. The need to validate these criteria significantly reduces the share of activities aligned by companies, especially since banks collection of information for each of the criteria is currently not feasible.

This last finding is even more impactful on energy renovation loans and car loans to households, as asset alignment would require the collection of non-climate performance data, which private customers are unable to collect. As a result, their efforts to contribute to a low-carbon economy, through energy renovation of housing and soft mobility, remain invisible in the GARs.

Consequently, these regulatory alignment indicators do not accurately reflect the share of BNP Paribas Fortis' assets contributing to the alignment with European climate change mitigation and adaptation objectives, nor the efforts undertaken by the bank to orient its economic model towards a low-carbon economy, in particular through its commitments to aligning its credit portfolio.

Furthermore, BNP Paribas Fortis' sustainability strategy and its climate component cannot be limited to taxonomy-alignment criteria, as part of the criteria are not yet sufficiently developed, making it difficult to cover activities outside the European Union. BNP Paribas Fortis uses internal sustainability classification principles, partly inspired by the criteria of the European Taxonomy.

3.f Share of assets aligned with climate performance criteria in eligible assets

The internal ratio developed by BNP Paribas Fortis emanating from assets aligned with key climate performance criteria within eligible assets provides a clearer view of how the bank's financing supports the EU's carbon neutrality objectives.

As at 31 December 2024, the share of assets aligned with the key climate performance criteria of the Taxonomy represented 11.2% of BNP Paribas Fortis' eligible outstandings for climate objectives.

This ratio covers financing of EU companies subject to the NFRD in 2024, whether or not the use of funds is specified, specialised financing granted to European local governments, and loans to European households corresponding to Taxonomy-covered loans, i.e. housing loans, energy renovation loans and car loans.

The alignment assessment uses a simplified approach, based solely on compliance with technical climate performance criteria, with respect to the following categories:

- For financing to companies where the use of funds is defined: alignment is based on a taxonomy alignment certificate provided by the client, specifying the percentage of alignment of the financed asset or project and the climate objective to which it contributes,
- For household loans, the alignment assessment is based on a simplified approach [4], based on the criteria of substantial contribution to the change mitigation objective.

For financing to companies where the use of funds is undefined, alignment is assessed using key performance indicators published by counterparties, as described previously in the section 3.c 'Methodology for alignment qualification under the European Taxonomy'.

Compared to the GAR, this ratio more closely reflects the bank's strategy in favour of low-carbon energy financing and the policy of supporting households in low-carbon housing, renovation or mobility solutions on the European market. The alignment strategy of its credit portfolio, applied to all its markets, is detailed in chapter 2. 'Climate change'.

TABLE No. 16: SHARE OF ASSETS ALIGNED WITH CLIMATE PERFORMANCE CRITERIA IN ELIGIBLE ASSETS

in millions of euros	31 December 2024		
	Total assets eligible for the Taxonomy (Climate objectives)	Total assets aligned* with the Taxonomy (Climate objectives)	Share of aligned assets* in all eligible assets
Exposures towards NFRD counterparties	5,334	585	11.0%
Exposures towards Households	81,640	9,195	11.3%
TOTAL EXPOSURES	**86,974**	**9,780**	**11.2%**

** On the basis of key climate performance criteria of the Taxonomy (for financing whose use of funds is allocated), and on the basis of aligned turnover indicators disclosed by counterparties (for other financing).*

[4] As described in Appendix 2 of EU Implementing Regulation 2022/2453 of 30 November 2022, template 7 Mitigation measures: Assets included in the GAR calculation.

The rest of tables is presented in annex. In addition to the 13 generic tables, BNP Paribas Fortis publishes 9 tables complementary to the GAR stock indicator (measured on a turnover basis and on a CapEx basis), covering the financing of activities related to fossil fuel and nuclear energy. It has been considered that the disclosure of tables complementary to other alignment indicators, of a more secondary order, would bring only a marginally useful information.

4 Own workforce

The own workforce relates to BNP Paribas Fortis' employees, of whom there were slightly more than 35,000 as at 31 December 2024, mostly on permanent contracts (98%). It also includes some non-employee staff members from temporary employment agencies working within the company.

In terms of own workforce, BNP Paribas Fortis applies the strategy defined by the BNP Paribas Group. BNP Paribas Fortis' entities thus follow the Group' social policies and procedures, adapting them to specific local circumstances if necessary. BNP Paribas Fortis also acts on the various initiatives implemented by BNP Paribas Group.

BNP Paribas Fortis presents below an analysis of the strategy, policies, actions, metrics and targets put in place with regard to these staff members:

Strategy: BNP Paribas Fortis puts people at the heart of its strategy. The HR function plays an essential role in implementing BNP Paribas Fortis' ambitions regarding its people, as defined in the 'People Strategy', which has three key aspects: ethics and inclusion, employee experience and human capital. Based on the double materiality assessment, material impacts, risks, and opportunities related to the BNP Paribas Fortis' workforce have been identified and are presented hereafter.

Policies: BNP Paribas Fortis details HR-specific policies implemented for BNP Paribas Fortis' own workforce to deal with these material impacts, risks, and opportunities.

Actions: BNP Paribas Fortis takes remedial actions to mitigate material impacts and risks and seize material opportunities related to its own workforce. These include the promotion of an inclusive culture, the prevention of discrimination, harassment and violence at work, social protection, the prevention of psychosocial risks, and initiatives in favour of professional equality, civil society and skills development.

Targets and metrics: BNP Paribas Fortis includes the targets that have been adopted as commitments in the Global Agreement as well as the social responsibility targets of the CSR dashboard. The metrics detailed below correspond to data on the BNP Paribas Fortis' own workforce, its characteristics, movements, along with all data relating to the working conditions of the BNP Paribas Fortis' employees (employment conditions, working hours, adequate wage, social dialogue, welfare, work-life balance, health and safety) and equal treatment of employees (professional equality, training and skills development, persons with disabilities, diversity, measures against violence and harassment).

4.a Strategy

4.a.1 Material impacts, risks and opportunities and their interaction with strategy and business model

As a responsible employer, BNP Paribas Fortis ensures that the labour rights of its workers, including employees and temporary workers, are respected. BNP Paribas Fortis is committed to providing workers with a healthy and fair working environment.

The diversity of BNP Paribas Fortis' business model means that its employees are subject to varying levels of risk depending on the local geographical context and the profession in which they carry out their activities.

BNP Paribas Fortis has contributed to an impact assessment conducted at the BNP Paribas Group level to identify material negative impacts that could affect its workers, as well as material financial risks and opportunities for BNP Paribas Fortis.

This assessment took into account feedback from internal and external stakeholders, including employees, NGOs, customers and investors.

The risk assessment was based on the internal analysis of workforce-related risks as reported by the various BNP Paribas Fortis business lines and geographies, combining risk events and risk factors.

The negative impacts and material risks identified do not directly result from the strategy of BNP Paribas Fortis. Nevertheless, the bank remains vigilant regarding the interests and views of stakeholders that may be affected.

Material impacts identified by BNP Paribas Fortis

The assessment highlighted a negative impact related to discrimination, inequality and exclusion as well as violence and harassment at work in isolated cases.

Access to fair and equitable work is seen as a major topic by stakeholders. However, in some cases, BNP Paribas Fortis' employees may be confronted with situations of discrimination at certain points in their career, such as recruitment, performance appraisals, promotions or remuneration reviews.

Relationships between colleagues can, occasionally and in certain cases, degenerate into verbal or physical violence or harassment. Employees of BNP Paribas Fortis may also be exposed to these risks in the short term in their interactions with customers and other external stakeholders, in the form of incivility towards them.

The assessment also highlighted potential negative impacts in terms of employee social protection. As public social protection programmes do not systematically exist in all the countries where BNP Paribas Fortis operates, the lack of measures could potentially have a negative impact on the BNP Paribas Fortis' employees.

Material risks identified by BNP Paribas Fortis

BNP Paribas Fortis has identified operational risks linked to human errors caused by psychosocial and legal HR risks, which are likely to have a negative financial impact:

- **Psychosocial risks:** recent changes in ways of working, as well as rapidly changing environments, are likely to increase work pressure for employees, which may be exacerbated by inappropriate managerial conduct. These factors can have short-term consequences for employees' occupational health, increase psychosocial risks and cause potential burnout. Changes in ways of working, including the increase in remote working, may also increase the risk of a sedentary lifestyle and associated illnesses.
- **Legal HR risks:** risks related to respect for individuals, including discrimination and harassment, as well as risks related to the improper performance of a contract may lead to disputes with BNP Paribas Fortis' employees. Legal action taken by employees for these reasons may result in significant legal costs and have financial impacts for BNP Paribas Fortis.

Material opportunities identified by BNP Paribas Fortis

BNP Paribas Fortis has identified several material opportunities supported by its 'People Strategy', and corresponding to the social responsibility indicators of the BNP Paribas Fortis' CSR dashboard[1]:

- **Opportunities in terms of diversity:** promoting gender diversity, especially within management bodies and senior management, promotes a balanced and inclusive working environment that contributes to the creativity and engagement of employees, and therefore to the attractiveness and overall performance of BNP Paribas Fortis.
- **Opportunities in terms of work-life balance:** the establishment of 'solidarity hours', which promotes work-life balance and allows people to devote time to civil society projects, fosters a solidarity-based working environment and contributes to the engagement and well-being of employees at work and BNP Paribas Fortis' attractiveness as an employer. The promotion of gender diversity and the establishment of solidarity hours promote staff retention and efficiency, thereby reducing external recruitment costs.
- **Opportunities in terms of skills development:** training and skills development programmes promote employee satisfaction and retention, thereby reducing external recruitment costs for BNP Paribas Fortis. These programmes also help to strengthen the skills of employees so that they meet the needs of tomorrow. This has the additional consequence of improving their employability and internal mobility prospects within the bank (more than 4,872 people transferred to new roles within BNP Paribas Fortis in 2024). All of these elements contribute overall to increasing the organisational performance of BNP Paribas Fortis.

1 Rate of women in the SMP ('Senior Management Position') population, number of solidarity hours worked by employees over two rolling years and rate of employees having completed at least four training courses in the year.

TABLE No. 17: SUMMARY OF LINKS BETWEEN MATERIAL IROs AND POLICIES, ACTIONS, METRICS AND TARGETS

Category	Title of the material IRO	Policies	Actions	Metrics	Targets (or monitoring indicators)
Impacts	Discrimination, inequality and exclusion	• Code of Conduct • Global Agreement • Respect for Persons policy • Diversity governance • Compensation policy	• Inclusion initiatives	• Employee characteristics • Collective bargaining and social dialogue • Diversity metrics • Adequate wage • People with disabilities • Training and skills development metrics • Work-life balance metrics • Remuneration metrics • Severe human rights cases, complaints and incidents	Women as a proportion of people in SMP: 40%
	Violence and harassment at work	• Code of Conduct • Global Agreement • Respect for Persons policy • Penalties for misconduct • Remuneration policy • External recruitment policy • Diversity governance procedure	• Confidential whistleblowing system for discrimination and harassment incidents • Remedial actions (disciplinary and support measures, post-investigation follow-up)	• Employee characteristics • Characteristics of non-employee workers • Health and safety metrics • Severe human rights impacts, complaints and incidents	Monitoring indicator regarding the number of alerts regarding respect for people and the number of sanctions
	Social Protection	• Global Agreement • Code of conduct • People & Property Policy	• Global Agreement • Social media and We Care program • Whistleblowing system • Social protection	• Collective bargaining and social dialogue • Employee characteristics • Social protection • Health and safety metrics • Work-life balance metrics	100% of employees covered by systems for listening and psychological support
Risks	Psychosocial risks	• Global Agreement • European Agreement on the Prevention of Stress at Work	• We Care programme • Mechanism for respecting individuals • Work-related stress measurements • Training and awareness programmes on mental health and psychosocial risks • Employee assistance programme • Psychological support	• Employee characteristics • Health and safety metrics	100% of employees covered by arrangements for listening to employees and providing them with psychological support
	HR legal risks	• Code of Conduct • Global Agreement • External Recruitment policy • Remuneration policy • Diversity governance • Professional path policy	• Preventive actions regarding respect for persons • Management training courses	• Employee characteristics • Severe human rights cases, complaints and impacts	Monitoring indicator on the number of alerts regarding respect for people and the number of sanctions

Category	Title of the material IRO	Policies	Actions	Metrics	Targets (or monitoring indicators)
Opportunities	Gender diversity	• Diversity governance • Global Agreement	• Women in IT programme • Awareness-raising initiatives	• Training and skills development metrics • Work-life balance metrics • Employee characteristics • Remuneration metrics	Women as a proportion of people in SMPs: 40% by 2025 Women as a proportion of IT workers: 31% in 2026 and 35% in 2030
	Work-life balance	• Global Agreement	• #1MillionHours2Help programme		Number of solidarity hours: 1 million hours over a rolling 2-year period at the BNP Paribas Group level
	Skills development	• Professional path policy	• Skills management • Skills management tool • Career Days, continuous development • About Me platform • Transfers to new roles within the BNP Paribas Fortis • Training initiatives	• Targets related to the management of material impacts, risks and opportunities • Employee characteristics • Training and skills development metrics	Proportion of employees who have completed at least four training courses: 90%

4.b Impacts, risks and opportunities management

4.b.1 Policies related to own workforce

Through its policies, BNP Paribas Fortis places particular emphasis on human rights, health and safety at work and diversity, equality and inclusion.

Respecting the human rights of employees is a central pillar of the CSR strategy, supported by various international commitments and standards.

By fostering an inclusive and safe working environment, BNP Paribas Fortis aims to improve the well-being of its employees and prevent discrimination and health and safety risks.

The table below presents a summary of the main policies implemented by BNP Paribas Fortis to manage its workforce. These policies are either applied directly or adapted and implemented within the various entities of the BNP Paribas Group. It should be noted that BNP Paribas Fortis' policies apply to all staff members, without distinction. Indeed, given the nature of the bank's activities, no 'vulnerable' people within the meaning of the regulations were identified, which would have required the implementation of specific policies.

TABLE No. 18: SUMMARY OF POLICIES RELATING TO THE BANK'S OWN WORKFORCE

Policy	Description of policy content	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for implementing the policy	Interaction with stakeholders
Code of Conduct	The Code of Conduct sets out the rules of conduct within the framework of values that apply to all activities and employees of BNP Paribas Group.	BNP Paribas Group	BNP Paribas Group's General Management	Available on the BNP Paribas Group's website.
BNP Paribas Fortis' Code of Conduct (based on BNP Paribas Group's Code of Conduct)	The BNP Paribas Fortis' Code of Conduct, which all staff members must follow, governs the actions of each staff member and guides decisions at all levels of the organisation.	BNP Paribas Fortis	BNP Paribas Fortis' Board of Directors	The BNP Paribas Fortis' Code of Conduct is available on the BNP Paribas Fortis' website in French and Dutch.
People and Property Security Policy	Establishes the general framework of security, safety, business continuity and crisis management activities at BNP Paribas Fortis.	BNP Paribas Fortis	BNP Paribas Fortis' Executive Committee	The policy is only distributed internally.
Deployment of the Global Agreement, on fundamental rights and the global social framework	Contains the commitments made by BNP Paribas Fortis to its employees and information regarding the deployment of the policy across BNP Paribas Fortis on the following 7 themes: 1. Human rights, social dialogue and trade union rights 2. Corporate and social responsibility 3. Employment and skills management 4. Gender equality at work 5. Respect for people, non-discrimination 6. Equal opportunities, diversity and inclusion 7. Global social framework	BNP Paribas Fortis	BNP Paribas Fortis' HR Manager	The policy is circulated internally and accessible on the BNP Paribas Group's website. The BNP Paribas Group's agreement is published on its website[2].
Policy regarding respect for persons	Describes the BNP Paribas Fortis' system for preventing and detecting acts that do not comply with the Code of Conduct regarding respect for people, as well as for collecting and handling alerts on this subject. In particular, it describes the single whistleblowing system, as well as the role of social partners in the HR aspect of the Vigilence Plan.	BNP Paribas Fortis	BNP Paribas Fortis' HR department	The policy is only distributed internally.
Penalties for misconduct	Defines the general principles for managing the process of disciplinary action taken against a staff member. The policy covers types of non-compliance such as fraud, but also other types of non-compliance that may give rise to sanctions, such as inappropriate behaviour including disparaging comments, harassment or discrimination.	BNP Paribas Fortis (applied locally by entities depending on the legislative context in terms of labour law applicable in each country).	BNP Paribas Fortis' HR department	The policy is only distributed internally.
Diversity and Inclusion Governance Procedure[3]	Contains a presentation of diversity and inclusion governance organisation, which has five key aspects. Determines the way in which Diversity and Inclusion are structured within the bank and identifies formal, substantiated recruitment and career management decisions as the main tool for preventing discrimination.	BNP Paribas Fortis	BNP Paribas Fortis' HR department	The policy is only distributed internally.
External recruitment policy	The aim of this policy is to present the organisation and guiding principles for the external recruitment of BNP Paribas Fortis' staff members.	BNP Paribas Fortis	BNP Paribas Fortis' HR department	The policy is only distributed internally.

2 [Policy on the deployment of the Global Agreement](#)

3 *Arval has a specific policy, the Arval Diversity, Equity & Inclusion Charter, which describes a common framework for diversity, equity and inclusion for all Arval employees.*

Policy	Description of policy content	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for implementing the policy	Interaction with stakeholders
Professional path policy for employees	Aims to establish the framework for managing the career paths of employees within BNP Paribas Fortis, defining standards for related processes, activities and key moments. It covers: • Ensuring that employees' career plans fit with the company's needs, • Identifying and assessing skills and talents, • Identifying development needs, • Assessing and recognising individual and collective performance, • Engaging and motivating staff members through diverse development opportunities within BNP Paribas Fortis.	BNP Paribas Fortis	BNP Paribas Fortis HR department	The policy is only distributed internally.
Remuneration policy	Defines the general remuneration principles of BNP Paribas Fortis and the remuneration policy applicable to employees subject to specific regulatory provisions, in particular employees identified within BNP Paribas Fortis as significant risk takers.	BNP Paribas Fortis	The BNP Paribas Fortis Board of Directors	The policy is only distributed internally.

Human rights arrangements

BNP Paribas Fortis is committed to promoting respect for human rights within its sphere of influence and to treating all its employees with dignity. Forced labour is prohibited within BNP Paribas Fortis.

The BNP Paribas Group, to which BNP Paribas Fortis belongs, complies in particular with the 10 principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, human rights standards (internationally accepted as defined in the International Bill of Human Rights), and fundamental labour conventions (as defined by the International Labour Organisation[4]).

BNP Paribas Fortis demonstrates that it complies with the most rigorous standards of conduct and ethics, in terms of anti-corruption, respect for human rights and environmental protection, across all its activities, through its Code of Conduct[5], the 'BNP Paribas and Human Rights' document and the Global Agreement signed between BNP Paribas Group and UNI Global Union[6].

As most of the BNP Paribas Fortis' employees are highly qualified professionals and work in the tertiary sector, the risks of modern slavery and human trafficking have been deemed to be very low.

Nevertheless, BNP Paribas Fortis is committed to ensuring a working environment in which all employees are treated fairly and with respect, and places particular emphasis on:

- Respect for all employees;
- The need to apply the highest standards of professional ethics;
- Rejection of any form of discrimination.

The policies put in place by BNP Paribas Fortis in this regard include an annual review of countries at risk in terms of respect for human rights, as well as monitoring employees under the age of 18 (BNP Paribas Fortis did not have any in 2024).

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4 The fundamental conventions of the ILO are as follows:
C029 - Forced Labour Convention, 1930
C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948
C098 - Right to Organise and Collective Bargaining Convention, 1949
C100 - Equal Remuneration Convention, 1951
C105 - Abolition of Forced Labour Convention, 1957
C111 - Discrimination (Employment and Occupation) Convention, 1958
C138 - Minimum Age Convention, 1973
C155 - Occupational Safety and Health Convention, 1981
C182 - Worst Forms of Child Labour Convention, 1999
C187 - Promotional Framework for Occupational Safety and Health Convention, 2006

5 Including customer interests, financial security, market integrity, conflicts of interest, professional ethics, respect for colleagues, protection of the Group, commitment to society, and the fight against corruption and influence peddling.

6 Signed in 2018 and a new agreement signed in 2024.

In addition, with regard to temporary workers who are part of BNP Paribas Fortis' workforce, the bank ensures that suppliers employing those temporary workers comply with the principles of the Universal Declaration of Human Rights (adopted by the United Nations in 1948) and the fundamental conventions of the International Labour Organisation (ILO). In order to guarantee the implementation of the Sustainable Sourcing Charter, suppliers undertake to provide the necessary supporting documents and to welcome the internal or external auditors mandated by BNP Paribas Fortis to check compliance with the Charter.

Finally, BNP Paribas Fortis provides its employees with a remediation system comprising reporting channels and a whistleblowing mechanism accessible to all BNP Paribas Group employees and all employees in the value chain.

Occupational health and safety

In accordance with the BNP Paribas Group and BNP Paribas Fortis Codes of Conduct, safety in the workplace (including during business travel) requires everyone to show commitment to the safety and security of the workplace in the context of daily activities and to comply with the Code of Conduct. For managers, this means seeking to improve the working conditions of the teams and reporting any activity that may involve a threat to the physical security of a staff member or an external person on BNP Paribas Fortis premises.

All BNP Paribas Fortis staff members as well as people present on a BNP Paribas Fortis site (interns, trainees, temporary workers, subcontractors, customers, visitors etc.) can access a set of documents regarding the security of people and property, which was subject to an external audit at Group level in 2021.

Those documents set out the basic principles of:

- Security (with regard to risks linked to deliberate, malicious acts likely to harm the BNP Paribas Fortis' people, assets and activities);
- Safety (with regard to natural and weather-related events, or related to the technological environments of its sites likely to harm the BNP Paribas Fortis' people, property and activities);
- Business continuity and crisis management.

This framework, approved by the BNP Paribas Group's Executive Management, is deployed country-by-country by local management.

The BNP Paribas Fortis functions in charge of safety and security determine the key provisions intended to preserve, through constant risk analysis, the integrity of the bank's activities, resources and interests against safety and security events affecting BNP Paribas Fortis. The health and safety conditions of each site comply with the regulations applicable in the various countries.

Given the nature of BNP Paribas Fortis' activities and the arrangements implemented, the actual risks to the health and safety of BNP Paribas Fortis employees are relatively low, with a very limited number of occupational accidents and illnesses. The main risks relate to psychosocial and sedentary risks. The Group has therefore chosen mental health and health issues related to sedentary lifestyles as its health priorities, within the framework of the new Global Agreement and the We Care Group health programme.

Diversity, equality and inclusion

At the heart of the Ethics and Inclusion pillar of its People Strategy, BNP Paribas Fortis has made commitments to promote ethics and inclusion, and to encourage respectful, non-discriminatory and exemplary behaviour.

These commitments are reflected in particular in the BNP Paribas Fortis' Code of Conduct, the Global Agreement, and the Sanctions Policy for Misconduct. BNP Paribas Fortis' policy regarding anti-discrimination and diversity covers:

- Professional equality between women and men;
- Emotional orientation and gender identity;
- Diversity of origins and multiculturalism;
- Age diversity;
- Disabilities.

These are major topics for BNP Paribas Fortis. Diversity in all its dimensions and in particular gender, while respecting the differences of each individual, contributes to the enrichment, creativity and commitment of all and therefore to the overall performance of BNP Paribas Group. By reflecting the diversity of society, the bank can better understand the needs of its customers. Maintaining and promoting a respectful and inclusive work environment is essential to attract, develop and retain all talent. The collective performance and long-term economic development of BNP Paribas Fortis are based on the commitment of employees.

Remediating risks of discrimination and promoting an inclusive culture

BNP Paribas Group, of which BNP Paribas Fortis is a subsidiary, has made the following strategic commitments to prevent, mitigate and remediate risks of discrimination (including harassment) and promote an inclusive culture.

The European Agreement on Professional Equality between Women and Men of 2014 includes all the key elements of the BNP Paribas Group's policy in this area. It is supplemented at the BNP Paribas Group's level by numerous commitments such as the United Nations Women's Empowerment Principles (WEP) (2011), the International Labour Organisation's Global Network and Charter on Business and Disability (2016), the United Nations LGBT Standards (2017), the OneInThreeWomen Charter (2018) and the Global Agreement signed in 2024, which has innovative elements in terms of parenthood and combating domestic and intra-family violence.

More broadly, all entities of the BNP Paribas Group offer training and awareness-raising actions to combat discrimination or promote diversity and inclusion.

Commitment to fair and inclusive treatment in HR processes

BNP Paribas Fortis acts on those commitments on a daily basis, particularly during the major stages that mark employees' professional paths, such as recruitment, training, transfer, remuneration review and career development.

BNP Paribas Fortis employees are therefore required to:

- Ensure fair treatment of candidates during the recruitment process;
- Systematically base their judgement on an objective assessment of skills;
- Ensure equal opportunities;
- Define remuneration conditions in a fair and equitable manner. The titles and terms used are chosen to allow everyone to apply, without distinguishing between genders. The selection process is based on skills, qualifications and experience.

With regard to fair treatment during professional appraisals, the BNP Paribas Fortis' Professional Path Policy establishes a framework that ensures that all employees have the same career development opportunities, based solely on skills, experience, performance and professional qualities.

In addition, in accordance with BNP Paribas Fortis' remuneration policy, the remuneration review process is guided by the general principle of equal treatment and the exclusion of all discriminatory criteria, particularly gender, in accordance with the applicable regulations.

Implementation of policies in the event of discrimination

To implement these policies, BNP Paribas Fortis has established specific procedures aimed at preventing, mitigating and correcting discrimination, while promoting diversity and inclusion.

BNP Paribas Fortis has set up a confidential whistleblowing system for incidents of discrimination and harassment. Each report is rigorously investigated and appropriate corrective actions are taken, including in relation to incidents and complaints related to respect for people.

In the event of proven harassment, BNP Paribas Fortis applies appropriate measures immediately to put an end to the situation. Medical, psychological, social, managerial and HR support is offered to victims, as well as referrals to third parties to provide legal support if necessary.

4.b.2 Processes for engaging with own workers and workers' representatives about impacts

As part of its due diligence process, BNP Paribas Fortis engages, via BNP Paribas Group, with its employees and their representatives on the material impacts that affect or could affect them. This dialogue with employees is based on several tools that are described, along with their quality assessment arrangements, in chapter 1. 'General disclosures', section 1.b 'Strategy, business model and stakeholders', point 1.b.2 'Stakeholder interests and views'.

This dialogue is supervised by BNP Paribas Fortis governance bodies as detailed in chapter 6. 'Business conduct', section 6.a 'Governance', point 6.a.1 'The role of the administrative, management and supervisory bodies'.

In extension of the commitments made in 2018 by the BNP Paribas Group with UNI Global Union through the Global Agreement, BNP Paribas Group renegotiated a new agreement that was signed in November 2024 for a period of 4 years. This agreement was concluded with the contribution of the European Federation of Executives of Credit and Financial Institutions (FECEC); members of the European Group Works Council Bureau; representative trade unions at the BNP Paribas Group level.

This agreement covers seven themes relating to fundamental rights at work and the establishment of a global social framework, applicable to all BNP Paribas Fortis employees. In particular, chapter 1 of the agreement deals with social dialogue within the Group, while chapter 2 deals with the whistleblowing process.

4.b.3 Processes to remediate negative impacts and channels for own workers to raise concerns

General approach and remediation process

BNP Paribas Group has set up a whistleblowing system governed by the Group Whistleblowing System procedure, in accordance with the provisions of France's Sapin II and Waserman laws[7]. This system, also implemented at the BNP Paribas Fortis level, enables employees to report crimes, offences, threats, serious harm to the general interest, serious breaches of international standards, and breaches of the BNP Paribas Group's and BNP Paribas Fortis' Codes of Conduct. Where a material negative impact on employees is identified, BNP Paribas Fortis undertakes to provide or contribute to the appropriate remedy and evaluates the effectiveness of the measures taken in this regard.

Specific channels set up for people to exercise the right to whistleblowing

BNP Paribas Fortis is very attentive to the concerns of customers, employees, shareholders, suppliers and society as a whole. BNP Paribas Fortis is committed to listening, understanding and seeking to respond to concerns raised by its stakeholders in a fair and effective manner.

BNP Paribas Fortis' employees are therefore required to report any proven or suspected breach of the Codes of Conduct, BNP Paribas Group's and BNP Paribas Fortis' policies and procedures or regulations. They can raise their concerns through a single secure platform on all topics including respect for people. Any suspicion by a BNP Paribas Fortis' employee of a serious or potentially serious breach of human rights and fundamental freedoms, human health and safety or the environment can be reported through this system, except where regulations would prohibit it at the local level. The whistleblowing system is also accessible to external third parties on the BNP Paribas Fortis website[8].

Mechanism for handling reports relating to respect for persons

BNP Paribas Fortis offers a whistleblowing system in relation to professional behaviour that also includes potential cases of discrimination and psychological or sexual harassment. In this respect, BNP Paribas Fortis also complies with the Belgian act of 4 August 1996 on the well-being of employees in the performance of their work.

Reports are treated confidentially and follow a structured process of investigation by independent experts[9].

Finally, as soon as the facts are established and after objective investigations, BNP Paribas Fortis undertakes to take disciplinary and/or remedial measures, individual or collective, whose content and form are adjusted to local regulations.

Support and follow-up are provided for victims and may be offered to perpetrators of inappropriate behaviour.

Evaluation of efficiency and employee trust

Controls

The whistleblowing system is subject to control plans. First-level controls are reviewed by Compliance in order to verify access to whistleblowing channels and compliance with confidentiality and whistleblowing procedures. Second-level controls are carried out by an independent team to assess the effectiveness of the implementation of the whistleblowing system.

In addition, the HR function's control system allows monitoring of historical incidents that have occurred and may have an impact on employees. Depending on the incidents reported, action plans are implemented, which may include a strengthening of controls when necessary.

Reporting to Executive Management and the Board of Directors

A detailed report on alerts is produced semi-anually by the Group Referent at the BNP Paribas Group level. This report covers all alerts, with a quantitative and qualitative analysis of the data. It is provided annually to the Compliance Committees, the Group Executive Committee and the Board of Directors.

7 For more information on this topic, cfr. chapter 6. 'Business conduct', in section 6.b 'Impact, risk and opportunity management', point 6.b.1 'Corporate culture and business conduct policies'.

8 BNP Paribas Fortis Whistleblowing System

9 For more information on this topic, cfr. chapter 6. 'Business conduct', in section 6.b 'Impact, risk and opportunity management', point 6.b.1 'Corporate culture and business conduct policies'.

Employee surveys

BNP Paribas Group conducts regular employee surveys, including within BNP Paribas Fortis, to assess the level of knowledge and confidence of employees regarding the systems for reporting their concerns and, if necessary, addressing them. The results of the 2023 Conduct & Inclusion survey showed, in the Conduct component, a high level of adherence of employees to the values and behaviours defined in the Code of Conduct. In addition, 93% of respondents stated that they had good knowledge of the channels enabling them to report alerts.

4.b.4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

To respond to material impacts, BNP Paribas Group, of which BNP Paribas Fortis is a part, takes various types of actions[10]:

- Promoting an inclusive culture;
- Improving the prevention of discrimination, harassment and violence at work.

To respond to material risks, BNP Paribas Group, takes actions including:

- The global occupational health and well-being programme (We Care);
- A working environment favourable to preventing psychosocial risks.

Finally, in order to support material opportunities, BNP Paribas Group takes numerous types of actions in regard to:

- Professional equality;
- Promoting work-life balance by encouraging employees to spend time on civil-society projects;
- Training and skills development to ensure workers' employability among other goals.

Action is most often taken as part of a short-term approach, as it is an integral part of the processes and cycles deployed annually by the HR function (listening to employees, training actions, performance appraisals, remuneration reviews, internal transfers, occupational health and well-being initiatives, etc.).

Promoting an inclusive culture

Inclusion Days

Awareness campaigns around inclusive culture intensified in 2024, with a wide range of formats, in-person or online: interactive conferences, round tables, podcasts, projections and replays.

During October 2024, the Diversity, Volunteering, BNP Paribas Foundation, Engagement and employee networks HR teams highlighted: professional equality, biases and stereotypes, role models, intergenerational, volunteering, disability, financial and digital inclusion or mentoring, health and well-being at work. This 2024 edition reached more than 22,000 participations in forty countries, including Belgium, confirming its broad success with nearly 200 events and solidarity actions organised.

The 2023 Conduct & Inclusion survey showed widespread employee adherence to the BNP Paribas Group's Diversity & Inclusion policy.

92% of respondents in Belgium said they felt 'able to be themselves at work without worrying about how they are accepted'.

Prevention of discrimination, harassment and violence at work

As part of the policy on respect for people aimed at preventing discrimination, harassment and violence at work, BNP Paribas Fortis has taken several types of actions, including measures to inform and raise awareness of these matters among employees and managers, as well as to help HR take a more professional approach to them.

Preventive actions include:

- A reminder of the principles contained in the BNP Paribas Fortis' Code of Conduct on respect for people, with a mandatory biannual awareness-raising module;
- A module entitled 'Diversity, Equality & Inclusion' dedicated to non-discrimination efforts (featuring various harassment situations) included in the mandatory Conduct Journey training programme that addresses unconscious bias and stereotypes. BNP Paribas Fortis also provides awareness programmes on stereotypes and unconscious bias for almost all staff members[11].

10 Actions are also applicable to Arval.

11 Social reporting.

- The adoption of an annual target relating to compliance with the Code of Conduct to all employees, which allows managers to assess their employees during their professional appraisals and to report any failure regarding respect for people.
- Awareness of the importance of reporting any abnormal situation and awareness of whistleblower protections.
- Reminders regarding the whistleblowing channels and the procedures for handling whistleblowing, including post-investigation and disciplinary measures.

These actions are adapted to local regulations to ensure optimal protection of BNP Paribas Fortis' employees.

Action consists of several steps:

- Receipt of alerts relating to respect for people: alerts are submitted via a single, secure platform that is accessible to staff members and the entire value chain, including external people. Before accessing it, staff members can contact a person of trust to discuss their difficulties. That person of trust may be their manager or another manager, their HR business partner (HRBP) or any person in the HR function, a Diversity, Equity and Inclusion contact person, a person with social or medical responsibilities or a staff representative, where locally available or via the Compliance function's whistleblowing channel. BNP Paribas Fortis guarantees the strict confidentiality of the whistleblower's identity, the persons involved in the report and the information collected.
- Initial analysis of the alert: an immediate analysis of the alert is carried out to assess the situation and determine what action to take. If necessary, temporary emergency measures are taken, such as a change in working environment, a change in reporting line, and the provision of social and/or medical support.
- Interviews and surveys: interviews with the alleged victim and other persons involved are conducted in order to establish the facts alleged in the alert.
- Investigation report: if an investigation has been initiated, a detailed report is drawn up and validated, presenting the findings on the situation.
- Restitution of findings: during an interview with the alleged victim and a separate interview with the person concerned, a statement of the facts, whether substantiated or not, shall be presented to them.

In Belgium, this is in accordance with the act of 4 August 1996 on the well-being of workers during the performance of their work.

Remedial actions includes:

- Disciplinary and support measures: as soon as the analysis of the whistleblowing alert and the resulting investigations have established inappropriate behaviour or situations requiring action, appropriate measures are taken, mainly individually, against the perpetrators of the inappropriate behaviour, including disciplinary measures.
- Support measures may also be put in place for the whistleblower, the alleged victim, the person concerned and the work group: a proposal to change their role or manager, HR support, managerial support, medical and/or psychosocial support, mediation, renewed awareness-raising initiatives regarding the Code of Conduct and the provisions on respect for people.
- Long-term monitoring and protection against retaliation: people who have been involved in handling the alert are subject to appropriate follow-up by HRBPs and managers. Whistleblowers acting in good faith benefit from protection against retaliation.

Solid framework with regard to Social Protection

BNP Paribas Fortis implements various initiatives to continuously improve the well-being and social protection of its employees:

- Establishment of a minimum social framework that offers additional social benefits adapted to local regulations and practices through its Global Agreement, in addition to the legal provisions and collective agreements;
- BNP Paribas Fortis' employees enjoy benefits in terms of the reimbursement of healthcare, disability, incapacity and death insurance;
- Minimum benefits in terms of maternity leave and paternity leave. The new 2024 Agreement strengthens this protection by guaranteeing paid paternity leave of at least six days as well as childcare leave. These benefits are either statutory or insurance-backed, or a combination of both, depending on the regulatory context of each business line and country.

An overall review of the implementation of the Global Agreement is carried out annually by the BNP Paribas Group. In particular, the latter highlighted how the global social framework has been strengthened since its signature: 100% of employees can benefit from paid maternity leave of a minimum duration of 14 weeks, and almost all employees can benefit from disability, incapacity, death and healthcare coverage.

In addition, in accordance with the recommendations of the Global Agreement, all BNP Paribas Fortis employees can now benefit from at least six days of paid paternity leave.

The We Care Program

Since 2022, BNP Paribas Group has launched a global programme regarding health and well-being at work, called We Care, under the aegis of the Group Head of HR.

In addition to the minimum social framework included in the Global Agreement, which results in insurance arrangements (death, incapacity, disability and health coverage, along with minimum durations of maternity and paternity leave), the programme harmonises health provision through:

- A system of listening and psychological support;
- Health prevention assessments allowing employees to take control of their own health and allowing the Group to develop suitable preventative health plans;
- Support for employees suffering long-term illnesses.

This programme focused on three aspects in 2024:

- **Mental health issues through a system of listening and psychological support.** BNP Paribas Group has implemented several initiatives to prevent and mitigate potential negative impacts on its staff members.
    - Employee Assistance Programmes: 73% of the BNP Paribas Fortis employees are covered by these programmes in the event of traumatic events (terrorist attack, weather-related event, etc.).
    - Programmes for employees in all crisis situations: psychological support is provided by a company specialising in psychosocial risks for employees wherever they need it, in particular in Belgium with a telephone line for psychological support in the event of a serious event within a team.
    - Training related to the prevention of stress at work: the European Agreement on the prevention of stress at work signed in January 2017 by the Group defines principles and a common framework, but also specifies the resources to be implemented (information, awareness-raising, evaluation, training, support and communication). Training measures related to the prevention of stress at work are offered to almost all employees[12].
- **Voluntary health assessments.** In these assessments, employees will answer questions about their mental and physical health via a digital questionnaire. They receive written summaries that will allow them to assess their overall health and receive appropriate advice. In some riskier situations, employees will be offered a digital appointment with a healthcare professional. The assessments will be offered in France at the beginning of 2025, and gradually rolled out in countries that wish to offer them.
- **Support for people with long-term illnesses** through a We Care kit to encourage people to talk and change attitudes by promoting openness, respect and kindness.

A working environment conducive to the detection of psychosocial risks

Managers play a crucial role in preventing psychosocial risks by detecting signs and taking appropriate action. They are the front line in terms of observing certain unusual signs and changes in attitude among employees, such as changes in individual behaviour, intense emotional reactions, isolation within the work group, a lack of concentration or an excessive focus on work. Managers should also pay attention to comments in professional assessments that indicate dysfunctional attitudes or relationship difficulties.

Signs may also concern the work group and be indirectly detected through information from someone with social or medical responsibilities, a colleague or a team member, or as a result of work done by the labour inspectorate or regulatory authority. Collective signs include an unusual frequency of individuals reporting psychosocial risks and/or alerts, a high frequency of visits to prevention and occupational health services, a high or increasing absenteeism rate, increased staff turnover or an increase in employee complaints and litigation.

[12] *Social reporting.*

Remedial action focuses on analysing the manifestations of psychosocial risks and taking suitable steps to resolve the problems identified. This includes following up on reports from employees and organising corrective action by managers in collaboration with occupational health and safety departments.

The effectiveness of BNP Paribas Fortis' actions and initiatives is monitored through several key indicators such as absenteeism rates, the staff turnover rate and the results of employee satisfaction surveys. Employee feedback is taken into account via internal surveys (Pulse or Quality of Life at Work surveys such as the ARPS-i survey, the risk analysis on psychosocial aspects carried out by IDEWE within BNP Paribas Fortis in Belgium), direct feedback or HR alerts.

In order to prevent psychosocial risks related to mental health and sedentary lifestyles specific to the banking and insurance sector, appropriate advice and measures are offered.

Topics such as sleep, exercise, nutrition, stress and addictions, debilitating diseases, cancer, musculoskeletal disorders and women's and men's health are all addressed during awareness-raising campaigns.

Finally, BNP Paribas Fortis is continuing to adapt its working methods, with a hybrid working method combining on-site presence and remote working, the principles of which are adopted by the new Global Agreement, with particular attention to the preservation of social ties and work collectives. By the end of December 2024, around three-quarters of employees were working remotely. BNP Paribas Fortis supports its employees and managers with prevention initiatives (in the form of guides, booklets and training), in order to help maintain social ties, combat sedentary lifestyles and digital fatigue, and promote work/life balance.

Significant actions on professional equality

BNP Paribas Fortis has copied the Group's ambitious gender equality objectives, particularly regarding its senior management, with timeframes of one or two years and intermediate milestones measured annually.

With 109 nationalities within BNP Paribas Fortis the bank has been promoting diversity of origin and professional equity for several years. At the end of 2024, women made up 35% of people in SMPs at BNP Paribas Fortis and 39% among Leaders for Change[13]. Specifically in Belgium, women make up 54% of the BNP Paribas Fortis Executive Committee. In addition, at BNP Paribas Fortis in Belgium 38.3% of Senior Managers are women.

In line with the strategic plan and the Group's desire to develop and enhance women's career paths, BNP Paribas Fortis is committed to diversity in roles that show a structural imbalance in terms of gender, in particular in terms of recruitment and retention.

Regarding capital market activities within Corporate and Investment Banking, an action plan developed by BNP Paribas Group is underway: it is based on actions regarding the early stages of people's careers (interns, work-study trainees, V.I.E.[14] volunteers and the Graduate programme) and, more broadly, recruitment with a particular focus on Talents[15], senior managers and their successors, as well as individual or collective development programmes around these issues.

With regard to IT professions, BNP Paribas Group aims to be a leader in terms of the recruitment and the proportion of women in this line. Since 2020, the Group, including BNP Paribas Fortis, has continued to develop its global IT gender equality programme entitled Women in IT, for which a new ambition was set in 2024: women making up 35% of people in the IT line[16] across the Group by 2030 with a milestone of 31% by the end of 2026. As at 31 December 2024 within BNP Paribas Fortis, 33.8% of people working in IT roles were women.

13 The Leaders for Change (LfC) population is composed of the members of the main Group-level transversal Executive Committees regarded as making a major contribution to its operation and developments.

14 Volontariat International en Entreprise (International Internship in a Company).

15 Talents (Leaders for Tomorrow or LfT) are identified as part of an initiative launched at the end of 2015 to develop them and prepare them for the succession of members of the Group's cross-functional Executive Committees (LfC). There are nearly 7,000 of them across three categories (Emerging, Advanced or Top), and they are selected according to a rigorous Group process by their managers and HR based on their skills, experiences, sources of motivation and personal predispositions as well as personal attributes ('Leadership Profile'), which the Group considers necessary to become leaders.

16 With nearly 18,000 employees in the BNP Paribas Group.

Work-life balance: participation in civil society projects

BNP Paribas Fortis intends to take action to ensure that growth is more sustainable and more evenly shared by enabling its employees to take part in civil society projects by contributing their working hours to the efforts of non-profit organisations working for a more inclusive and ecological world. The global solidarity programme #1MillionHours2Help shows the BNP Paribas Group's ambition to support civil society (NGOs and non-profits) by making the most of its staff members' skills.

Developing skills and improving employability

BNP Paribas Fortis is supporting its employees at a time of profound transformation in the banking sector. It provides that support by anticipating skills needs, offering training and development programmes suited to the professions and jobs of tomorrow and implementing an active internal mobility policy.

Managing skills and anticipating the needs of tomorrow

- A new skills page has been made available to employees, managers and HR staff to identify skills that have been acquired and those that need to be developed and self-assessed. At the end of the self-assessment process, staff members can select the skills they want to develop in their About Me profile and add to their Personal Development Plan.
- The Strategic Workforce Planning exercise, a joint approach between HR and the business lines aimed at identifying skills needs over a three-year timeframe, makes it possible to offer employees suitable pathways (skills upskilling or retraining), in particular towards jobs where there is a shortage of people and towards the skills of tomorrow.

On-the-job development: the importance of interaction between employees and managers

The About Me platform lies at the heart of the career path management approach and is available to staff members, managers and HR. It aims to:

- Identify the skills of all employees;
- Support employees in their career path and professional development;
- Streamline interactions between employees, managers and HR, thus promoting cross-functional transfers;
- Complete the annual performance appraisal process.

The professional appraisal process, which is a requirement for all employees[17], is digitalised and simplified in the About Me tool. It starts at the beginning of the year by defining individual, collective and/or cross-functional objectives. These objectives must be clear, achievable, time-bound, measurable and appropriate to the nature of the activity and the responsibility of the position. The practice of ongoing feedback helps to identify skills development needs throughout the year and to enrich the Personal Development Plan.

The annual appraisal interview is a key moment of interaction between an employee and their manager: it involves reviewing the past year against the objectives set, defining development opportunities and looking ahead to the coming year.

Career development

Internal transfers within BNP Paribas Fortis are a key part of the BNP Paribas Fortis culture. It is an essential way of developing on-the-job skills.

In 2024, 4,872 people transferred to new roles within BNP Paribas Fortis, and 13% of transfers were cross-functional.

To support the professional development of employees, BNP Paribas Group held the second edition of its Career Days in 2024 across 46 countries including Belgium. This event gave employees a better understanding of the Group's strategic challenges, as well as helping them to assess their skills and training needs and work on their professional plans.

Creating a culture of continuous development

Strengthening the learning culture and improving the training experience remain the two key aspects of the continuous training strategy within BNP Paribas Group and BNP Paribas Fortis. This strategy is also based on the Strategic Workforce Planning exercises conducted within entities and with functions. The approach supports and anticipates skills development in line with the needs of employees while supporting the BNP Paribas Group and BNP Paribas Fortis strategic plan and the People Strategy.

Under both strategic plans, Technology and Sustainability are development priorities.

[17] Only permanent employees on an open-ended contract who joined the Group before 30 June of the year (hired before that date) are eligible for an annual performance appraisal. Those recruited after that date will be appraised in the following period.

With regard to Technology, several cross-functional training actions, initiated by the Group but also by BNP Paribas Fortis and its entities, have supported the development of all employees and experts, with a greater focus on AI, generative AI and data in 2024.

To measure the improvement in Technology skills, the Group monitors the number of employees who have completed at least seven hours of training in the technology field, which was 1.705 in 2024 at BNP Paribas Fortis' consolidated level.

Regarding Sustainability[18], the Sustainability Academy, launched at the end of 2022, is continuing its development. In 2024, major emphasis was placed on training employees via an S-Basics module, giving them a solid grounding in sustainable finance, and the Group continued to deploy the Climate Fresk internationally.

Development programmes dedicated to BNP Paribas Group Leaders and Talents

Finally, as the BNP Paribas Group's leaders – Top Executives (LfC), people in SMP and Talents (LfT) – are key contributors to the success of the BNP Paribas Group' strategic plan, they are offered comprehensive training, in particular on sustainability issues.

In 2024, more than 4,500 out of the 7,000 Talents benefited from dedicated development arrangements, in particular in relation to strategic sustainability challenges. In addition, nearly 60% of Top Executives took part in certification programmes in sustainable finance in 2024.

Since the launch of the Talents programme, the proportion of women in this group has risen from 32% in 2015 to 53% in 2024, creating a talent pool that is essential for gender diversity in executive bodies[19]. In 2024, 70% of Top Executive positions were sourced from the Talents group.

BNP Paribas Fortis participates to these programs.

Resources allocated to managing material impacts

The BNP Paribas Group's 4,500 HR employees, 684 of whom work within BNP Paribas Fortis, rely on an organisation comprising an HR function at Group level and local HR function at the level of the various business lines and territories, as well as a governance arrangement consisting of an Executive Committee that brings together Group HR managers and the HR managers of the main business lines and territories twice a month.

The roles and responsibilities of all HR staff, at both Group and local levels, are defined in a charter. The Group HR function is responsible for defining the People Strategy and all HR policies (recruitment, professional path, training, evaluation, remuneration, diversity, respect for persons) in compliance with laws and regulations and is responsible for supporting the HR function within the business lines and territories in deploying and implementing those laws and regulations. Local HR shares that responsibility, while listening to employees and working alongside the business lines to ensure the implementation of their own strategy.

HR staff also play a key role in implementing policies on diversity, health, quality of life at work, prevention of psychosocial risks and respect for people. They are responsible for leading and implementing these policies, as well as managing employee professional paths and remuneration. In addition, they are responsible for managing the impacts of the HR policies put in place, in particular by deploying the generic control plan for the HR function and managing HR risks at local level. Finally, they are responsible for implementing locally the actions necessary to control these risks.

18 This has been included in the commitments on social and environmental responsibility in the new Global Agreement.

19 SMP, LfC, G100, COMEX.

4.c Metrics and targets

4.c.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To reduce the negative effects linked to psychosocial risks, BNP Paribas Fortis aims to ensure that all employees are covered by arrangements for listening to their concerns and providing psychological support.

BNP Paribas Fortis also intends that all employees, wherever they are located, can benefit from the BNP Paribas Group's commitments and guarantees under the new Global Agreement.

Regarding diversity at all levels of the organisation, the Group has set itself ambitious targets for women to make up 40% of people in the Group Comex and the G100, Leaders for Change and SMP groups, as well as 50% of Leaders for Tomorrow (Talents) by 2025.

In addition, as part of the BNP Paribas Group' strategic plan – which takes into account the feedback from a wide variety of employees – BNP Paribas Group, including BNP Paribas Fortis, have three social indicators which address diversity and inclusion matters and support the Group's ambitions to attract and retain highly qualified and employable people.

The three indicators related to social responsibility and the progress made by BNP Paribas Fortis at a consolidated level are presented in the table below. Medium-term objectives have been set (with a 2025 timeframe) regarding these commitments and intermediate measures to achieve the objectives are monitored and communicated annually. These objectives, their definition and the methodology for determining them have remained stable over time.

TABLE No. 19: INDICATORS RELATED TO BNP PARIBAS FORTIS SOCIAL RESPONSIBILITY

Pillar	Indicators	2024
Social responsibility	Percentage of women among the SMP population	35%
	Number of solidarity hours performed by employees over two rolling years (#1MillionHours2Help)	66,165
	Percentage of employees who completed at least four training courses in the year	99%

4.c.2 Employee characteristics

The employee figures below relate to BNP Paribas Fortis' staff members with a permanent or fixed-term employment contract with a company over which BNP Paribas Fortis has sole control or significant influence and/or for which BNP Paribas Fortis holds a HR management mandate in relation to those employees. They do not include interns or apprentices.

Staff members (fixed-term and permanent contracts) are accounted for where they carry out their activities and where their cost is incurred. They are recognised at the end of the period (see tables below).

TABLE No. 20: EMPLOYEES BY GENDER

	2024		2023	
Type	Headcount[20]	FTE[21]	Headcount	FTE
Men	16,802	16,592	17,214	17,023
Women	18,976	18,079	19,090	18,165
Not reported			-	-
Total	**35,778**	**34,671**	**36,304**	**35,187**

At the end of 2024, 53% of BNP Paribas Fortis employees, at a consolidated level, were women and 47% were men.

20 *Physical headcount at the end of the period.*

21 *FTE: full-time equivalent, i.e. staff numbers are counted in proportion to their contractual working hours. All totals are rounded to the nearest whole number (someone working 80% of full time counts for 0.8).*

TABLE No. 21: EMPLOYEES BY COUNTRY (REPRESENTING MORE THAN 10% OF THE TOTAL WORKFORCE)

	2024	2023
Country	Headcount[22]	Headcount
Belgium	12,411	12,668
Turkey	8,801	9,034
Total	**35,778**	**36,304**

Belgium and Turkey are the only countries that have more than 10% of BNP Paribas Fortis' workforce at a consolidated level.

At the end of 2024, BNP Paribas Fortis was present in 31 countries. For BNP Paribas Fortis, on a consolidated level, the number of employees decreased by 1.4% compared to 2023.

TABLE No. 22: EMPLOYEES BY CONTRACT TYPE – BREAKDOWN BY REGION (in headcount & FTE)

	2024				2023			
	EMEA	Asia Pacific	Americas	Total	EMEA	Asia Pacific	Americas	Total
Number of employees								
Headcount	**35,411**		**367**	**35,778**	**35,948**		**356**	**36,304**
FTE	**34,304**		**367**	**34,671**	**34,831**		**356**	**35,187**
Permanent employees (PTC)								
Headcount	34,626		362	34,988	35,075		352	35,427
FTE	33,527		362	33,889	33,971		352	34,323
Temporary employees (FTC)								
Headcount	785		5	790	873		4	877
FTE	778		5	783	860		4	864

TABLE No. 23: EMPLOYEES BY WORKING TIME, BROKEN DOWN BY REGION (in headcount)

	2024				2023			
	EMEA	Asia Pacific	Americas	Total	EMEA	Asia Pacific	Americas	Total
Number of employees[23]	**35,411**		**367**	**35,778**	**35,948**		**356**	**36,304**
Full-time employees	30,905		367	31,272	30,950		356	31,306
Part-time employees	4,376			4,376	4,403			4,403

TABLE No. 24: EMPLOYEES BY CONTRACT TYPE – BREAKDOWN BY GENDER

	2024				2023			
	Men	Women	Not reported	Total	Men	Women	Not reported	Total
Number of employees								
Headcounts	**16,802**	**18,976**		**35,778**	**17,214**	**19,090**		**36,304**
FTE	**16,592**	**18,079**		**34,671**	**17,023**	**18,165**		**35,187**
Permanent employees (PTC)								
Headcounts	16,483	18,505		34,988	16,826	18,601		35,427
FTE	16,276	17,613		33,889	16,638	17,685		34,323
Temporary employees (FTC)								
Headcounts	319	471		790	388	489		877
FTE	316	466		783	384	480		864
Non-guaranteed hours employees								

The vast majority of employees are on permanent contracts (almost 98%).

22 *Physical workforce at the end of the period.*

23 *The totals include all employees, including those whose working time is not reported.*

TABLE No. 25: FULL-TIME/PART-TIME EMPLOYEES – BREAKDOWN BY GENDER (in headcount)

	2024			2023		
	Men	Women	Total	Men	Women	Total
No. of employees	**16,802**	**18,976**	**35,778**	**17,214**	**19,090**	**36,304**
Full-time	15,900	15,372	31,272	16,093	15,213	31,306
Part-time	844	3,532	4,376	771	3,632	4,403

In 2024, 4,376 employees worked part-time, i.e. 12% of BNP Paribas Fortis' workforce.

TABLE No. 26: LEAVERS (FULL-TIME EMPLOYEES)[24]

	2024				2023			
	Men	Women	Not reported	Total	Men	Women	Not reported	Total
Total number of leavers[25]	1,871	1,801		3,672	2,153	2,088		4,241
Voluntary leavers[26]	990	1,007		1,997	1,033	1,063		2,096
Retirement	454	358		812	612	538		1,150
Redundancy	174	140		314	204	144		348
Other leavers	253	296		549	304	343		647

There is a 13% decrease in departures in 2024.

TABLE No. 27: STAFF TURNOVER

	2024				2023			
	Men	Women	Not reported	Total	Men	Women	Not reported	Total
Staff turnover rate[27]	11.3%	9.7%		10.5%	12.8%	11.3%		12.0%
Staff turnover rate (FTE)	11.3%	9.9%		10.6%	12.8%	11.5%		12.2%
Voluntary turnover rate (FTE)[28]	6.0%	5.6%		5.8%	6.2%	5.9%		6.0%
Voluntary turnover rate incl. retirees	8.7%	7.5%		8.1%	9.8%	8.9%		9.3%

The decrease in the turnover rate, which is also known as the departure rate and is calculated at constant scope, is mainly explained by the decrease in people retiring, particularly in Turkey, where in 2023 this was linked to a change in the local legislation.

BNP Paribas Fortis takes a responsible approach to managing its workforce, anticipating the adjustments necessary to maintain its economic performance, its capacity for development and therefore eventual employment needs.

On a consolidated basis, BNP Paribas Fortis recruited 3,464 permanent employees worldwide in 2024 (-12.8% compared with 2023). With 98% of new hires taking place in Europe, BNP Paribas Fortis confirms its status as a European bank.

This responsible management of the workforce is also based on dynamic internal transfers, which is a source of skills enrichment, and is supported by substantial investment in training.

In total, 4,872 people transferred internally within BNP Paribas Fortis in 2024 (a decrease of nearly 21% compared to 2023), including 13%[29] of cross-functional transfers. In Belgium, 1,745 internal transfers took place (-18% compared to 2023), of which 16% were cross-functional transfers.

24 *Departures correspond to permanent employees who left the Group during the year.*

25 *Leavers correspond to employees (in physical headcounts and permanent contracts only) who have left the Group during the year.*

26 *Resignation and mutual agreement.*

27 *Turnover rate, calculated on permanent employees: (Number of departures over year N)/(Average workforce for year N).*

28 *Voluntary turnover rate, calculated on permanent employees: (Number of resignations in year N + Number of contractual terminations in year N)/(Average workforce in year N).*

29 *Transfers between entities and business lines within BNP Paribas Fortis.*

4.c.3 Characteristics of non-employee workers

Non-employee workers, i.e. staff members who do not have the status of employees within the company, are either those who have entered into a contract with the company to provide labour ('self-employed workers') or persons made available through companies carrying out mainly 'employment activities' (NACE code N78). For BNP Paribas Fortis, these are people working within the company provided by temporary employment agencies.

BNP Paribas Fortis allows itself the option of using temporary workers for specific and temporary tasks. The bank only uses this option occasionally to replace employees who are temporarily absent (due to illness, maternity or other reasons) or to deal with a temporary increase in the company's activity.

TABLE No. 28: NUMBER OF NON-EMPLOYEE WORKERS

	2024
Number of external workers	293

At BNP Paribas Fortis, they represent 293 FTEs[30] at the end of 2024.

4.c.4 Collective bargaining coverage and social dialogue

The BNP Paribas Global Agreement, which was signed in 2018 by the BNP Paribas Group with UNI Global Union and extended until 30 June 2024, covers all Group staff members, including those of BNP Paribas Fortis, hence the coverage percentages below.

TABLE No. 29: % OF STAFF MEMBERS COVERED BY COLLECTIVE AGREEMENTS

	2024	2023
% of employees covered by collective agreements	100%	100%

TABLE No. 30: COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

	2024		
	Collective bargaining coverage		Social Dialogue[31]
	Employees - EEA (countries with >50 employees representing >10% of total employees)	Employees - non-EEA (estimated for regions with >50 employees representing >10% of total employees)	Workplace representation (EEA only) (countries with >50 employees representing >10% of total employees)
Coverage rate	-	-	-
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	Belgium	EMEA (excluding EEA)	Belgium

In 2024, 433 official meetings took place with staff representatives, including 144 in Belgium, illustrating the large amount of social dialogue that takes place. These meetings led to the signature, in 2024, of 68 collective bargaining agreements within BNP Paribas Fortis, including 5 in Belgium, reflecting the quality of collective bargaining.

4.c.5 Diversity metrics

Breakdown of senior management by gender

BNP Paribas Group has set itself ambitious gender balance targets, aiming for women to make up 40% of staff members at all senior management levels of the company (cfr. below). BNP Paribas Fortis has adopted the same targets.

30 Period-end FTE data collected by the BNP Paribas Finance teams.

31 Data collected in the social reporting campaign which covers 10% of the BNP Paribas Fortis FTE workforce.

Senior management within BNP Paribas Fortis consists of people in SMP i.e. people in 424 roles considered to have the greatest impact from a strategic, commercial, functional and expertise point of view. The gender balance within this population is one of the social indicators monitored in the BNP Paribas Fortis' CSR dashboard.

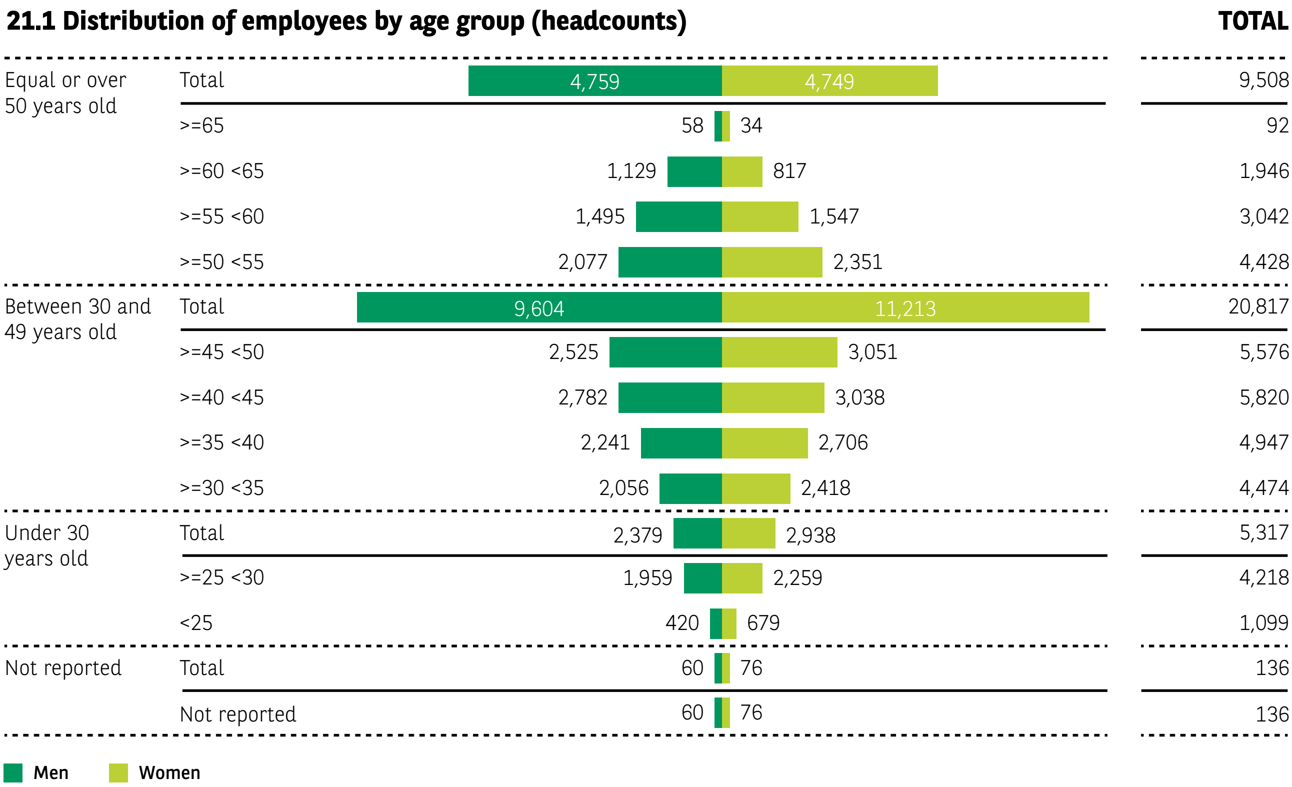
TABLE No. 31: BREAKDOWN OF SENIOR MANAGEMENT BY GENDER (AS OF 31 DECEMBER)

	2024			2023			Target 2025 (% women)
	Men	Women	Total	Men	Women	Total	
Board Members	9	6	15	10	7	17	40%
% of Board	60%	40%	100%	59%	41%	100%	
ExCo members	6	7	13	9	2	11	
% of ExCo	46%	54%	100%	82%	18%	100%	
G100 members	4	2	6	5	2	7	
% of G100	67%	33%	100%	71%	29%	100%	
Number of LFC	36	23	59	45	19	64	
% of LFC	61%	39%	100%	70%	30%	100%	
Number of SMP	274	150	424	276	146	422	
% of SMP	65%	35%	100%	65%	35%	100%	

Distribution of employees by age group

In 2024, there were 5,317 employees under the age of 30, 20,817 between the ages of 30 and 49 and 9,508 employees aged 50 and over[32] .

FIGURE No.7: DISTRIBUTION OF EMPLOYEES BY AGE BLOCK



32 *For employees whose gender and age are disclosed.*

The average age of staff members was 42.6 years in 2024 (42.4 in 2023), 43.1 years for men and 42.2 years for women. The average length of service within BNP Paribas Fortis was 13.5 years in 2024 (13.4 in 2023), 13.3 years for men and 13.7 years for women.

4.c.6 Adequate wages

BNP Paribas Fortis respects the minimum wage applicable in all countries in which it operates.

BNP Paribas Fortis has defined an adequate wage as the salary[33] required to cover the basic needs of an employee and their family, in particular in terms of housing, food, health, education, transport, communication and precautionary savings.

In order to determine the adequate wage in all the countries in which the BNP Paribas Fortis is present, it relies via BNP Paribas on the FairWage Network, which has recognised expertise in this area. It provides adequate wage data based on the country-specific local context (or, within countries, the context of the major cities in which employees work), and various criteria such as the average household size in each country (assuming a two-person household with a number of children based on the country's fertility rate), and the average number of people receiving an income in the household (country-specific). This adequate wage data is updated annually by the FairWage Network and compared to employees' fixed remuneration.

In line with the new commitment under the Global Agreement of November 2024, 100% of BNP Paribas Fortis' employees receive an adequate wage as defined above.

In addition to their salary, staff members may benefit, depending on their role, from variable remuneration that remunerates quantitative and qualitative achievements measured on the basis of actual performance and individual evaluations, in relation to the objectives set. It is determined in particular according to the results obtained by the business line in question. Furthermore, salaries are supplemented by welfare benefits to which all BNP Paribas Fortis' employees are entitled in application of the Global Agreement.

These benefits include pension and employee saving plans, in accordance with local legislation and local practices. These plans complement the mandatory and statutory plans to which entities contribute for their staff members (defined benefit or defined contribution plans).

At BNP Paribas Fortis in Belgium, 'collective' variable remuneration is partly linked to the achievement of CSR targets.

4.c.7 Social Protection[34]

Under the Global Agreement, all employees benefit overall from a favourable framework in terms of social protection, in particular with regard to events such as illness, parental leave and retirement. Regarding other events such as unemployment, coverage depends on government and/or company plans existing locally in the countries in which BNP Paribas Fortis is present.

4.c.8 Persons with disabilities

TABLE No. 32: PROPORTION OF EMPLOYEES RECOGNISED AS HAVING A DISABILITY

	2024		
	Men	Women	Total
% of employees recognised as having a disability	1,8%	2,3%	**2,1%**

As at 31 December 2024, BNP Paribas Fortis had 2.1% employees with disabilities, 39 employees with disabilities were recruited in 2024 compared to 28 in 2023.

4.c.9 Training and skills development metrics

TABLE No. 33: PERFORMANCE AND CAREER DEVELOPMENT APPRAISALS

	2024			2023		
	Men	Women	Total	Men	Women	Total
% of employees who participated in regular performance and career development appraisals	97%	96%	97%	98%	98%	98%

33 *Only fixed remuneration for FTE working time (excluding overtime)*

34 *In view of the need to collect specific data to assess the Social Protection of BNP Paribas Fortis employees against loss of income due to major life events (illness, unemployment, occupational accident and disability, parental leave, retirement), an ad-hoc process has been put in place to collect this information. The process is used to determine whether all employees of BNP Paribas Fortis enjoy social protection, whether provided by the government or the company. Data relating to a given year is collected and updated annually in June of the following year.*

The percentage of employees who participated in a performance appraisal is based on the number of people eligible for an appraisal. Furthermore, only employees in entities using the BNP Paribas Group's About Me tool were taken into account in the percentage of employees who participated in performance appraisals (i.e. 24,327 employees in 2024).

TABLE No. 34: TRAINING

	2024			2023		
	Men	Women	Total	Men	Women	Total
Average number of training hours per employee	26	25	26	18	18	18
Average number of training hours per employee (excluding mandatory training)	24	23	23	18	17	18

The training strategy has two key aspects, with the aim of supporting the BNP Paribas Group' strategic plan and the People Strategy, i.e. strengthening the learning culture and improving the learning experience, so that everyone can easily and quickly access the right resource at the right time.

Due to the nature of BNP Paribas Fortis' activities and in particular for regulatory reasons, its staff members must complete mandatory training courses each year, including those relating to the Code of Conduct.

4.c.10 Health and safety metrics

TABLE No. 35: HEALTH AND SAFETY METRICS

	2024
Percentage of employees covered by the health and safety management system	96%
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of recordable work-related accidents	114
Rate of recordable work-related accidents (frequency rate: number of accidents per 1 million total worked hours)	1,13
Number of days lost due to work-related injuries and fatalities from work-related accidents, from work-related ill health & fatalities from ill-health (severity rate: number of days lost per 1,000 total calendar hours)	0.01

The absenteeism rate of BNP Paribas Fortis employees related to illness, occupational accidents (excluding travel) and occupational illnesses is 4,5% for BNP Paribas Fortis in 2024.

4.c.11 Work-life balance metrics

Under the Global Agreement, all BNP Paribas Fortis' employees are entitled to at least one of the following family-related types of leave: maternity leave, paternity leave, parental leave or carer's leave.

TABLE No. 36: FAMILY-RELATED LEAVE

	2024			2023		
	Men	Women	Total	Men	Women	Total
% of employees entitled to family-related leave	100%	100%	100%	100%	100%	100%
% of employees concerned who have taken such leave[35]	7%	12%	10%	7%	12%	10%

With regard to the provisions provided for at BNP Paribas Group level, particularly in favour of careers, the Global Agreement provides for the possibility for employees to take up to five days off per year for personal reasons.

[35] Data collected in the social reporting campaign, which covers 93% of the managed FTE workforce as of 31/12/2024.

4.c.12 Remuneration metrics (pay gap and total remuneration)

Pay gap

BNP Paribas Group's remuneration policy, which BNP Paribas Fortis applies, is based on principles of fairness, particularly in terms of gender, and transparency, which is reflected, among other things, in a single annual remuneration review process for all employees.

Regarding the global pay gap between men and women, it corresponds to the difference between the average pay level between male and female employees, expressed as a percentage of the average pay level of male employees. It is calculated across all employees of BNP Paribas Group, regardless of their activity, seniority, and geographical location.

With regard to equal pay for men and women, BNP Paribas Fortis continues to maintain its strong commitment in this area, for example by renewing specific measures dedicated to eradicating unjustified pay gaps.

For several years, local measures have been taken to reduce any pay gaps between women and men. BNP Paribas Fortis' entities around the world have the opportunity each year to request dedicated budgets as part of budget discussions regarding the annual remuneration review process.

Ensuring equal treatment from a gender perspective does not fully reduce the overall pay gap between women and men within BNP Paribas Fortis (all professions and all countries).

For several years now, BNP Paribas Fortis has been carrying out numerous initiatives aimed at improving female representation in certain management positions or in certain activities where women are underrepresented, such as in capital market activities within corporate and investment banking and in the IT line.

TABLE No. 37: GENDER PAY GAP[36]

	2024
Gender pay gap (total remuneration)	20%
Gender pay gap (fixed remuneration)	18%

The total remuneration pay gap of 20% is mainly explained by a particularly large difference in business lines such as Global Markets within Corporate and Investment Banking, and in countries where men are more represented than women in front-office activities and senior technical roles where remuneration levels are higher, whereas there are more women in back-office roles. As these front-office capital markets business lines generate more revenue and feature higher levels of variable remuneration, this explains the larger difference in total remuneration (20%) compared to fixed remuneration (18%).

Ratio of highest remuneration to median remuneration[37]

The ratio between the highest remuneration and median remuneration among all BNP Paribas Fortis' employees is presented below. However, it should be noted that the diversity of workforce structures in terms of geographical locations and professions exercised makes this indicator more relevant when calculated at national level and in the main countries where BNP Paribas Fortis is present.

TABLE No. 38: RATIO OF HIGHEST REMUNERATION TO MEDIAN REMUNERATION

	2024
Ratio of highest to median remuneration	
BELGIUM	19
FRANCE	20
GERMANY	7
ITALY	8
LUXEMBOURG	12
NETHERLANDS	7
POLAND	11
SPAIN	11
TURKEY	77
UNITED KINGDOM	11

Pay gaps can be particularly high between countries due to market practices, the local cost of living and the nature of BNP Paribas Fortis' activities in the different countries. Indeed, in some professions, the high levels of remuneration in certain business lines such as Global Markets can be explained by the fact that these activities generate large amounts of revenue.

36 The gender pay gap is calculated on a basis covering approximately 99% of employees at Fortis sub-consolidated level. The remuneration taken into account concerns the 2024 gross annual fixed remuneration as well as the gross variable remuneration awarded at the beginning of 2024 for 2023 performance.

37 The ratio of the total annual compensation of the highest earner to the median total annual compensation of all employees (excluding the highest paid person). The median remuneration is calculated on a basis covering approximately 99% of employees present at Fortis sub-consolidated level. The remuneration taken into account concerns the 2024 gross annual fixed remuneration as well as the gross annual variable remuneration awarded at the beginning of 2024 for 2023 performance.

4.c.13 Incidents, complaints and severe human rights impacts

TABLE No. 39: INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

	2024
Number of incidents of discrimination including harassment reported during the period	64[38]
Number of complaints relating to social issues related to working conditions and fair treatment (excluding discrimination and harassment)	
Total amount of fines, penalties and compensation resulting from incidents and complaints (discrimination and harassment)	EUR 0
Number of serious human rights incidents[39]	N/A

For BNP Paribas Fortis, the number of discrimination incidents (including harassment) and other complaints relating to social issues reported above corresponds to the number of alerts relating to respect for people[40] reported via the whistleblowing channel by employees or non-employee workers and handled by the HR Conduct contact persons.

Thus, in 2024, 64 alerts relating to respect for people were recorded. After analysis of the alerts and subsequent investigations, appropriate measures were taken, including disciplinary and support measures.

The amount of fines, penalties and compensation mentioned above corresponds, for BNP Paribas Fortis, to the amounts of damages and compensation paid to employees or former employees during the year, following a final court decision and without the possibility of an appeal. These amounts relate to incidents of discrimination or harassment that have been reported in the main countries where BNP Paribas Fortis is present.

38 *64 (7: Fortis + 4 :BGL + 39: Arval + 12: Leasing Solutions + 2: TEB)*

39 *In view of the nature of BNP Paribas Fortis' business activities and commitments to human rights, the theme of serious human rights incidents covering forced labour, human trafficking or child labour is not considered material at the BNP Paribas Fortis level.*

40 *The areas covered by "Respect for Persons" are in particular acts contrary to the principle of non-discrimination, acts constituting moral or sexual harassment, sexist acts, sexual touching, rape, assault, non-compliance with safety rules.*

5 Consumers and end-users

This chapter of the sustainability statements develops four themes related to consumers and end-users of BNP Paribas Fortis' products and services:

1. **Data privacy protection;**
2. **Transparent, clear and non-misleading information;**
3. **Customer satisfaction;**
4. **Social inclusion.**

Below, BNP Paribas Fortis presents an analysis of the strategy, policies and actions implemented towards its consumers and end-users[1]. They can be defined as follows:

- Direct individual customers (natural persons) included in its activities;
- Indirect individual beneficiaries via microfinance institutions working on social inclusion.

Strategy: this section introduces the identified material impacts, risks and opportunities in relation to consumers and end-users as part of the double materiality assessment conducted by BNP Paribas Fortis.

Policies: this section presents the policies put in place by BNP Paribas Fortis for consumers and end-users to manage material impacts, risks and opportunities. These policies include the Code of Conduct, the Personal Data Protection Policy and the Protection of Customer Interests Policy.

Actions: concerning the four themes mentioned in this chapter, BNP Paribas Fortis describes the channels of dialogue with its consumers and end-users, as well as those allowing them to express their concerns. It then details the actions to mitigate impacts and risks while setting out opportunities related to consumers and end-users.

These actions include the provision of clear, transparent and non-misleading information, customer information rules in the context of complaints management, the risk management procedure and governance dedicated to the protection of personal data, the Net Promoter System in favour of customer satisfaction, specific financial inclusion offers aimed at strengthening social inclusion, as well as cross-cutting training actions for BNP Paribas Fortis' employees.

Metrics and targets: this section presents the targets set in relation to the material opportunities identified under the theme of social inclusion. BNP Paribas Group has set the goal of serving six million beneficiaries of products and services supporting financial inclusion by 2025. This indicator to which BNP Paribas Fortis contributes is included in the CSR dashboard.

5.a Strategy

5.a.1 Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality assessment revealed several material impacts, risks and opportunities affecting BNP Paribas Fortis' consumers and end-users.

Material impacts identified by BNP Paribas Fortis

Impacts related to transparent, clear and non-misleading information

The financial products and services offered to individual clients may have material negative impacts if the information provided is not sufficiently clear and comprehensive. For example, if the characteristics of an investment product are not presented in a clear, transparent and objective manner, individual clients risk being misled into making decisions that do not correspond to their needs or financial situation. This could expose them to possible financial difficulties. This can be more damaging for individual clients who are financially vulnerable or less familiar with financial products, thereby increasing the risk of financial losses.

These impacts are linked to one-off failures or incidents. Given the large volume of products and services offered by BNP Paribas Fortis, a lack of information can potentially affect many customers.

Impacts related to customer satisfaction

Customer dissatisfaction is, in most cases, an impact linked to a one-off incident and means that BNP Paribas Fortis has not responded to a customer need. This incident may be operational in nature, such as difficulties accessing their online account, or commercial, such as inadequate sales advice resulting in a product or service that doesn't match the customer's risk profile. Additionally, individual customers may express dissatisfaction based on their perception of how the bank's strategy or service offering affects their overall experience.

[1] *The terms 'individual customers' or 'customers' used throughout this chapter fall within this definition.*

Impacts related to social inclusion

Some individual customers may face barriers to accessing BNP Paribas Fortis' products and services, which are essential for their financial inclusion and social inclusion. These barriers are often related to the customer's administrative and economic characteristics.

Material risks identified by BNP Paribas Fortis

Risks related to data privacy protection

BNP Paribas Fortis collects and processes personal data from individual customers, including identification information (such as name and ID number) and contact details (such as postal address, email, and telephone number).

The bank may face legal and reputational risks resulting from breaches of data protection legislation, such as a breach of the General Data Protection Regulation (GDPR) in the EU, and/or the loss or theft of confidential information concerning its individual customers.

Material opportunities identified by BNP Paribas Fortis

Opportunities related to social inclusion

BNP Paribas Fortis has identified material opportunities in relation to products and services that promote social inclusion through financial inclusion.

Interaction with BNP Paribas Fortis strategy and business model

The material negative impacts identified by BNP Paribas Fortis in relation to its individual customers, such as financial difficulties due to lack of information, dissatisfaction, or ineligibility for certain products and services, are not intentional consequences of the bank's strategy. Rather, they are unintended outcomes resulting from defects in the design or delivery of its products and services, or from unforeseen negative consequences of its activities.

The material risks identified by BNP Paribas Fortis to its individual customers relate to situations of breach of legislation or regulations, loss or theft of data or lack of information in the products and services marketed; they are not linked to the bank's strategy and business model.

The material opportunities identified by the bank for its individual customers, which promote financial inclusion and contribute to social inclusion, are aligned with and driven by the strategic objectives of BNP Paribas Fortis.

BNP Paribas Group's and BNP Paribas Fortis' strategic plans place social inclusion among its five priority areas.

The CSR dashboard includes an indicator on the number of beneficiaries of products and services promoting financial inclusion.

Summary of links between material IROs and policies, actions, metrics and targets

TABLE No. 40: SUMMARY OF LINKS BETWEEN MATERIAL IROs AND POLICIES, ACTIONS, METRICS AND TARGETS

Category	Title of the material IRO	Policies	Actions	Metrics and targets
Impact	Financial difficulties linked to a lack of information	• Code of conduct; • Policy on the protection of the interests of clients.	• Transversal training actions; • Deployment of clear, transparent and non-misleading information and specific actions, such as formalising guidelines on the drafting of commercial documents; • Complaint management, rules for informing individual customers and responding to their requests; • Continuous improvement processes..	N/A
Impact	Dissatisfaction	• Code of conduct; • Policy on the protection of the interests of clients.	• Transversal training actions; • Net Promoter System.	N/A
Impact	Ineligibility for products or services	• Code of conduct.	• Transversal training actions; • Proposal of financial inclusion offers (microStart, Nickel, DigitAll).	N/A
Risk	Legal and reputational risks resulting from the loss or theft of confidential data	• Code of conduct; • Protection of personal data policy.	• Transversal training actions: • Personal data protection risk management process; • Dedicated governance; • Individual customer dialogue channels; • Continuous improvement processes.	N/A
Opportunities	Financial inclusion	• Code of conduct.	• Transversal training actions; • Proposal of financial inclusion offers; (microStart, Nickel, DigitAll).	Number of beneficiaries of products and services promoting financial inclusion.

5.b Impact, risk, and opportunity management

5.b.1 Policies related to consumers and end-users

To manage the material impacts of its products and services on consumers and end-users, as well as the material risks and opportunities associated with them, BNP Paribas Fortis has several policies which are summarised in the table below.

These policies govern the management of all consumers and end-users set out in this chapter's introduction.

TABLE No. 41: SUMMARY OF BNP PARIBAS FORTIS' POLICIES IN CONNECTION WITH CONSUMERS AND END-USERS

Policy	Policy content	Scope of the policy or its exclusions	Highest level of the organisation responsible for implementing the policy	Interaction with stakeholders
Code of Conduct	The Code of Conduct sets out the rules of conduct that apply to all BNP Paribas Fortis' activities and employees.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	The BNP Paribas Fortis' Code of Conduct is available on the BNP Paribas Fortis' website in French and Dutch.
Group policy on the protection of personal data	This policy governs the BNP Paribas Group's strategy in this regard, defining the rules for all categories of data[2] subjects (customers, employees, service providers, etc.) and any personal data processing activity, in all BNP Paribas Group's distribution models. It has been adapted locally for BNP Paribas Fortis by the Data Protection Officer (DPO) and the Roles and Responsibilities have been defined more precisely.	BNP Paribas Fortis	CRO	This policy is for internal distribution only. BNP Paribas Fortis publishes a 'Notice of Information on the Protection of Personal Data' on its website for its customers[3].
Policy on the protection of the interests of clients	This policy outlines the organisational rules and conduct guidelines that apply throughout the customer relationship, from initial engagement to ongoing service delivery and product lifecycle management.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally, and a summary is available on the Group's website[4].

Regarding supervisory processes, the policies presented in this table are all subject to ongoing and periodic internal controls. BNP Paribas Fortis' policy on the protection of personal data is also monitored at the level of the Data Office and the RISK functions.

All policies mentioned in the table are aligned with internationally recognised frameworks applicable to consumers and end-users, including the United Nations Guiding Principles on Business and Human Rights.

With regard to its individual customers, the right to privacy is recognised and integrated into BNP Paribas Fortis' personal data protection policy as well as in its internal procedures, established in accordance with the relevant European regulations, such as the GDPR.

A whistleblowing system is in place, overseen by dedicated contact persons within the Compliance and HR departments, depending on the nature of the issue. External stakeholders can activate the system by submitting a whistleblowing form, which is available on the BNP Paribas Fortis' website.

The protection of whistleblowers against the risk of retaliation was strengthened in 2023, in line with the transposition of EU Directive 2019/1937.

2 *A 'data subject' is an 'identified or identifiable natural person'.*

3 *Notice of Information on the Protection of Personal Data*

4 *Summary of BNP Paribas's Policy on the protection of customer Interests*

5.b.2 Processes for engaging with consumers and end-users about impacts

Transparent, clear and non-misleading information

The policy for the protection of customer interests, implemented within BNP Paribas Fortis, defines the following general principles:

- The customer must have fair, honest, transparent, understandable and non-misleading information about products and services, both in terms of form and content, and regardless of the channel or format;
- Prior to the provision of the product or service, BNP Paribas Fortis must provide customers with all necessary information to enable them to understand:
  - What they buy, including the characteristics of a product or service: any information that does not mention the characteristics of a product or service in a balanced manner would be considered misleading;
  - Details of what they pay, i.e. the cost of products, services and advice.
- Information must be provided to customers throughout the product or service lifecycle, when required;
- The product or service must be easy to explain and understand for customers in the market for which the product or service is intended;
- Customer questions must be answered correctly and within a reasonable timeframe.

BNP Paribas Fortis:

- Complies with local regulations when they are more stringent than those of the BNP Paribas Group;
- Implemented an internal control system to ensure transparency of information to customers and compliance with applicable rules.

The protection of customers' interests is subject to training for the employees concerned, particularly those teams responsible for customer relations and management.

Customer satisfaction

As part of the Advocacy programme implemented since 2017, BNP Paribas Fortis deploys a broad and continuous system for listening to the voice of customers.

This programme is based on:

- A system of multi-channel surveys to collect customer perceptions at different points in their relationship with the bank:
  - Annual Net Promoter Score (NPS) benchmarks that measure the level of recommendation of BNP Paribas Fortis' customers and compare it with that of the competition, across various aspects of the customer relationship;
  - Relationship surveys: a random sample of customers is asked on an ongoing basis to share their perception of their relationship with the bank;
  - Transactional surveys conducted as a result of an interaction between the customer and the bank (branch visit or call to customer service) or a specific process (opening a relationship, subscribe to a real estate loan).

  As well as the NPS score and operational indicators (conversion rate, duration, etc.), BNP Paribas Fortis also measures other customer indicators (such as the 'Customer Effort Score'[5]), as well as the experience of employees when advising and assisting customers, in order to have the most in-depth view possible of customer journeys.
- Consideration of sources of spontaneous customer expression, such as complaints or social media.

With regard to its positioning on the Belgian market, the various brands and customer segments of BNP Paribas Fortis achieved the following performances in 2024[6]:

Individual customers

- BNP Paribas Fortis Retail Banking: the NPS score improved by two points compared to the previous year, mainly thanks to the integration of former bpost bank customers. They have a better perception of BNP Paribas Fortis than historical customers. The bank is recognised for the quality of its advice and digital tools (apps).

5 The Customer Effort Score (CES) is an indicator used to measure the effort a customer must make to solve a problem or get a response from an organisation. It assesses the customer's difficulty in achieving his/her goal.

6 For all segments, the source is the 'International Benchmark' study carried out by an external provider on behalf of the BNP Paribas Group (Pace).

- Fintro: its recommendation level (NPS) remains extremely high and Fintro has maintained its leading market position for several years. Fintro is recognised for the high quality of its relationship management (relevance of responses, knowledge of the customer situation), while its branches have remained a stable asset over time.

B2B market

- Local business customers (companies with a turnover of less than two million euro, having a dedicated advisor and paying recurring fees): the NPS score is stable and remains at the market average. The main drivers of satisfaction are relationship managers and local branches. Customers emphasise the competence, expertise, responsiveness, behaviour and quality of the advice given.
- Small and medium-sized enterprises (turnover between 2 million and 20 million euro): the NPS score increased this year to second place and is now at the market average.
- Mid-Caps (turnover between 20 million and 250 million euro): BNP Paribas Fortis occupies second place in the market with a stable NPS score.
- Key and strategic customers (turnover generally above 500 million euro per year): BNP Paribas Fortis has been the market leader for several years, with exceptional scores for its relationship managers (proactivity, responsiveness, understanding of customer needs, rapid follow-up) and the support of the General Management. BNP Paribas Fortis has a strong position on the NPS and overall quality index in all customer segments.

Affluent and Private Banking

- BNP Paribas Fortis Priority Banking (assets between 85,000 and 250,000 euro): the NPS score increased significantly this year. The improvement is due to a decrease of detractors' share, while the promoters share is stable and remains very low compared to the market.
- BNP Paribas Fortis Private Banking (assets between 250,000 and 5 million euro): BNP Paribas Fortis Private Banking is ranked the number one private bank in Belgium for the fourth consecutive year. The NPS improved this year, driven by a decrease in mild detractors and an increase in promoters. In contrast, the market NPS remains stable, allowing BNP Paribas Fortis Private Banking to further strengthen its market lead. Customers praise the quality of the relationship managers, a key differentiator from the competition, as well as the tailored products and efficient processes, which are becoming increasingly important promotional factors.
- Wealth Management (assets over five million euro): the level of recommendation is extremely high, with more than two-thirds of customers willing to actively recommend BNP Paribas Fortis. Relationship management remains the primary driver of customer satisfaction (relationship quality and responsiveness to requests).

5.b.3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Complaints management

Complaints handling is a key element of BNP Paribas Fortis' policy to protect customer interests and is subject to precise operational procedures.

The policy to protect customer interests sets out the rules for handling complaints:

- Customers must be clearly informed about the complaint handling channel and process as well as the mediation protocol, if applicable. The ombudsman is independent of the bank's operational services, which offers guarantees to clients;
- Complaints must be acknowledged, and customers must be regularly informed of the progress;
- An acknowledgement of receipt must be sent to the customer within five working days and a response will be provided within a maximum of one month;
- Costs associated with the treatment of complaints cannot be invoiced to the clients.

BNP Paribas Fortis:

- Ensures that employees in contact with customers have sufficient knowledge of the complaints handling process;
- Monitors compliance with the rules for handling complaints;
- Identifies the cause of complaints and analyses the responses provided.

This allows BNP Paribas Fortis to learn lessons and drive continuous improvement.

BNP Paribas Fortis also offers the services of independent mediators, which customers can contact. In Belgium, customers can contact the national ombudsman service, which is managed by the Belgian State if they are not satisfied with the way the bank has handled their complaint. Information on the ombudsman and how to contact them is available to the customers on the bank's website.

Customer feedback process

For customers who respond to a survey, BNP Paribas Fortis implements an individual remediation approach. In Belgium, an adviser contacts each customer within five days of receiving their response, prioritising those who are dissatisfied. This follow-up call helps the bank better understand customer perceptions and the root cause of complaints.

Whenever possible, BNP Paribas Fortis provides an immediate solution to the customer. If a solution cannot be implemented straight away, corrective action is taken if the issue is local. If the issue is structural and beyond the bank's local control, it is forwarded to the central teams for resolution.

The bank uses management tools to record and process customer events. Its NPS is primarily managed through the 'Customer Feedback Management' tool, which allows it to manage surveys, view customer feedback in real time, share results across the entity and track progress via dashboards.

BNP Paribas Fortis learns from these remediations, feeding a continuous learning process. The Advocacy team regularly shares, with their management and team leaders, key customer issues and updates on action plans to resolve them.

Social inclusion

To address the impacts of certain individual clients being ineligible for certain products and services due to their profiles, BNP Paribas Group and BNP Paribas Fortis have developed specific offers described in the next section. This section outlines the approaches to managing material risks and seizing material opportunities for consumers and end-users, as well as the effectiveness of these actions.

5.b.4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

BNP Paribas Fortis implements various actions to prevent, mitigate and correct impacts on its individual clients, manage material risks and seize material opportunities.

Transversal training actions

BNP Paribas Fortis offers various training programmes on protecting customer interests, including the 'Conduct Journey' series, which is mandatory for all employees. The third edition of this programme has been enhanced with information on whistleblowing channels and a new module on diversity, equity, and inclusion.

In addition, all employees are required to complete personal data protection trainings. Regular awareness campaigns also help employees understand cybersecurity risks and personal data breaches.

BNP Paribas Group's Sustainability Academy, launched in 2022, provides training on sustainable finance topics, including social and financial inclusion. For more information, cfr. chapter 4. 'Own workforce'.

In 2023, BNP Paribas Fortis launched its own version of the Sustainability Academy, tailored to its specific context and employees. This programme maintains the same objectives as the original but is adapted to meet the unique needs of BNP Paribas Fortis.

Actions in favour of data privacy protection

Risk management process related to data privacy protection

BNP Paribas Fortis' personal data privacy policy includes a process for identifying, qualifying, and assessing risks related to personal data processing activities that impact data subjects, including individual customers.

BNP Paribas Fortis implements a range of organisational and technical measures to prevent and mitigate the risks associated with processing personal data, including the risks of losing confidential personal data, compromising its integrity, and disrupting its availability. In accordance with Article 32 of the GDPR, these measures include:

- Pseudonymisation and encryption of personal data;
- Ensuring the confidentiality, integrity, availability, and resilience of data processing systems and services;
- Restoring the availability and access to personal data within a reasonable time in the event of a physical or technical incident.

Governance

A governance system, based on a network of 'Chief Data Officers' (CDO) - acting as the first line of defence, relaying the Group Data Office - and Data Protection Officers - acting as the second line of defence, relaying the RISK function -, ensures the application of the personal data protection framework within their respective areas of responsibility. This network is supported by dedicated experts within the Legal function, who also form part of the second line of defence. The permanent and periodic monitoring functions (third line of defence) verify the correct application of the data protection framework and assess its effectiveness.

Individual customer dialogue channels

BNP Paribas Fortis' rules, in line with the GDPR regulation, require direct notification to data subjects in the event that a data breach could have a significant impact on their rights and freedoms. This ensures that affected individuals are informed promptly and can take necessary measures to protect themselves.

Individual customers can contact BNP Paribas Fortis at any time, directly or through the data protection authorities, to request information or lodge complaints regarding the processing of their personal data. They can do so via customer service or other designated channels. Additionally, subcontractors of products and services must inform BNP Paribas Fortis of any requests and assist in responding to them.

The channels that facilitate this interaction are described in the privacy notice, which is published on the BNP Paribas Fortis' website. This notice also provides guidance on how to lodge complaints with data protection authorities. Complaints are handled confidentially and securely, with access restricted to those who need to know.

The process of dialogue with individual customers for the protection of personal data is managed by Data Protection Experts, who operate under the authority of the BNP Paribas Fortis Data Protection Officer. These experts act as data protection officers for the personal data of data subjects and operate within an autonomous control function, ensuring sufficient independence in the processing of requests.

Continuous improvement processes

In 2024, BNP Paribas Group consolidated its network of data protection specialists, integrating them into all activities. The bank continues to apply data privacy principles and increases its maturity in personal data protection.

The effectiveness of the processes for addressing complaints from data subjects is subject to both ongoing monitoring (via control functions) and periodic reviews (via audits). Additionally, these processes are also overseen by data protection authorities and courts, where there is a legal obligation to remedy personal data issues. The processing of data subjects' requests, including those from individual customers, is regulated by data protection authorities, and contact information is provided in case data subjects wish to file a complaint.

Lessons are drawn from both data breach cases and interactions with data subjects to improve dialogue channels and prevent and mitigate future impacts. Where necessary, additional exchanges with data subjects are undertaken to better respond to their requests or gather additional information, ensuring the most relevant and appropriate response.

Actions to ensure transparent, clear and non-misleading information and complaints management

Transparent, clear and non-misleading information

Specific actions are carried out according to the identified needs of individual customers, such as formalising guidelines on the drafting of commercial documents or on best practices to avoid greenwashing.

Complaints management

Individual customers are informed about the existing complaint process and mediation protocol, both at public reception sites and on the BNP Paribas Fortis' website. A customer who submits a complaint will receive an acknowledgement of receipt from BNP Paribas Fortis in Belgium within five working days. Customers are kept informed of the progress of their request and will receive a response within one month.

The complaints management teams are operational teams within the 31 business lines and the central Client Servicing team. The Compliance department oversees the complaints management system to ensure it is in place, compliant with BNP Paribas Group standards, and adheres to local regulations.

Continuous improvement processes

A process of analysing the causes of the complaints received and the solutions provided feeds the continuous improvement effort of BNP Paribas Fortis. In Belgium, quantitative and qualitative information on complaints is sent quarterly to the COO and at least annually to the Board of Directors/ Executive Committee.

Customer satisfaction actions

To better understand and respond to its customers' expectations, BNP Paribas Fortis has established a dedicated organisation focused on addressing the material impact of customer satisfaction.

The BNP Paribas Fortis Customer and Employee Knowledge Centre is responsible for managing the Net Promoter System ensuring its smooth operation and follow-up. The team's key responsibilities include:

- Ensuring standards and methodologies are applied consistently in the implementation of the NPS system;
- Collecting and consolidating all available customer feedback, including surveys, complaints, social media, and other sources;
- Conducting in-depth analysis to identify key issues and their root causes;
- Collaborating with operational teams to prioritise and resolve customer issues;
- Regularly communicating NPS survey results and progress on addressing customer issues;
- Participating in internal decision-making bodies to bring the customer's voice to the table and inform business process improvements and customer journey enhancements.

Social inclusion through financial inclusion

Social inclusion is one of the five priority areas identified in BNP Paribas Fortis' strategic plan. The bank promotes social inclusion through offers that support financial inclusion, a key step towards achieving this goal. These offers enable certain segments of the population who are underserved by traditional banking to access payment methods and financial or insurance services.

By doing so, BNP Paribas Fortis empowers these individuals to participate more actively in economic and social life.

BNP Paribas Fortis conducts financial inclusion actions with various beneficiaries through several offers, including:

Microfinance institutions

For nearly 35 years, BNP Paribas Group has been committed to inclusive finance, supporting microfinance institutions through various channels: direct funding, investments in financial inclusion funds, and the distribution of savings products dedicated to microfinance.

It's worth noting that the Group closely monitors the social performance of its microfinance institutions portfolio, which is subject to regular evaluations as part of the publication of the BNP Paribas Microfinance Social Performance Report.

BNP Paribas Fortis provides financing to microfinance institutions via microStart in Belgium.

MicroStart is a microfinance initiative co-founded by BNP Paribas Fortis. It offers support and microcredit to people excluded from traditional banking services, enabling them to start or develop their own business.

In 2023, microStart was integrated into the bank's commercial offering, and more than 600 employees were trained for this purpose.

Nickel

Nickel, a subsidiary of the BNP Paribas Group present in five European countries (France, Spain, Belgium, Portugal, and Germany), provides accessible payment solutions online or through physical distribution channels, without any conditions or requirements. By opening an account with an IBAN and an unconditional payment card, Nickel enables everyone, including those who have been excluded from traditional banking, to make and receive payments and access home insurance online.

By simplifying the conditions for accessing a current account, Nickel contributes to the socio-professional inclusion of as many people as possible. Having a bank account has become a prerequisite for accessing everyday goods and services, as well as securing a paid job.

DigitAll

DigitAll is a coalition of companies, social organisations, and government bodies working together to promote greater digital inclusion in Belgium. Launched in 2020 at the initiative of BNP Paribas Fortis, DigitAll became a Belgian non-profit organisation in 2024, with BNP Paribas Fortis, Proximus, and Accenture as its main drivers.

DigitAll brings together individuals and organisations committed to driving structural change and increasing the impact of digital inclusion in Belgium through co-creation and awareness-raising. The coalition seeks solutions to promote digital inclusion and is building a network of organisations that can contribute to this goal. The aim is to create a vibrant community, an ecosystem where participants share experiences, collaborate, and leverage each other's actions. The Charter for Digital Inclusion, launched in 2021, has been signed by over 130 organisations.

Impact Entrepreneurs

BNP Paribas Fortis guides and supports impact entrepreneurs within the eco-system. Impact entrepreneurs are enterprises belonging to the private sector, with a viable economic growth and with a business model where the social and/or environmental mission prevails over the financial objective.

For this target group, the bank applies a credit analysis and policy adapted to their specific business model, also taking into account qualitative data about the impact of the enterprise on society. In 2024, BNP Paribas Fortis had a new credit production of 42 million euro in new loans for Impact Entrepreneurs.

Next to that, BNP Paribas Fortis also has a participation in Trividend, offering a valuable network to this specific target group.

Effectiveness of actions related to identified impacts

The actions described above, categorised by theme (data privacy protection, transparent, clear, and non-misleading information, customer satisfaction, and social inclusion), are used to prevent, mitigate, or correct the impacts identified by BNP Paribas Fortis on its individual customers.

BNP Paribas Fortis monitors and assesses the effectiveness of these actions in achieving the expected results for individual clients.

BNP Paribas Fortis also ensures that processes are in place to remedy any material negative impacts, as well as the effectiveness of their implementation and results, as described above. For example, this includes adherence to rules on response times for unsatisfied or complaining customers.

With regard to the protection of personal data, negative impacts on data subjects, including marketing or data use practices, are avoided via the internal risk management system put in place by BNP Paribas Fortis, in accordance with personal data protection regulations (such as the GDPR and its directive 'e-Privacy') and national regulations in the countries where BNP Paribas Fortis operates.

This personal data protection risk management process is the cornerstone for assessing each data process and processing activity in light of compliance with the GDPR and BNP Paribas Fortis' personal data protection policy, taking into account current or planned protection measures.

This system supports social inclusion actions, such as financial inclusion, and through measures like encryption or pseudonymisation.

As previously described, the BNP Paribas Fortis' Code of Conduct promotes high ethical standards in terms of personal data protection.

BNP Paribas Fortis undertakes not to sell its customers' personal data to its business partners.

5.c Metrics and targets

5.c.1 Targets linked to managing material negative impacts, promoting positive impacts and managing material risks and opportunities

As part of its strategic plan, BNP Paribas Group has set itself a quantified target for social inclusion, to which BNP Paribas Fortis contributes: to serve 6 million beneficiaries of products and services supporting financial inclusion by 2025. This indicator is included in the CSR dashboard.

This target aligns with the objectives of the Code of Conduct policy, specifically Theme No. 7 ('Commitment to Society, sub-theme Contributing to a More Inclusive Society'), which is defined as follows: 'The Group strives to pay particular attention to customers in fragile situations, ensuring they have easier access to banking services through the development of suitable and accessible financial products and services. Employees of BNP Paribas Group must consider the social impact of their activities'.

The indicator consists of the number of beneficiaries of microcredits distributed by microfinance institutions between 1 October of the previous year and 30 September of the current year.

BNP Paribas Fortis contributes to this indicator through the realisations of microStart. Since its creation in 2011, the microfinance institution has granted 66 million euro in loans to micro-entrepreneurs, supported 5,653 business projects with 7,621 loans, and enabled the creation or maintenance of more than 8,000 jobs. At Q3 2024 microStart reached the number of 3,301 beneficiaries. In 2024, 466 microStart loans, amounting to 4.8 million euro, were granted, and 1,137 micro-entrepreneurs were supported.

6 Business conduct

BNP Paribas Fortis sets out below the business conduct arrangements in place, including anti-corruption and representation of interests, as well as other matters related to non-compliance risks covered in this chapter (financial security, market integrity and cybersecurity).

Strategy: On these different topics, BNP Paribas Fortis' strategy is determined by the impacts, risks and opportunities identified as part of the double materiality assessment conducted by BNP Paribas Fortis, in line with the analysis carried out by BNP Paribas Group.

Policies: BNP Paribas Fortis describes the policies in place to manage material impacts, risks and opportunities related to business conduct and other topics related to non-compliance risks in point 6.b.1 'Corporate culture and business conduct policies'.

Actions: BNP Paribas Fortis describes the actions taken to limit the impacts and risks associated with business conduct and other topics related to non-compliance risks.

Metrics and targets: BNP Paribas Fortis presents the following metrics related to business conduct and other non-compliance risk topics:

- The percentage of high-risk functions covered by training programmes on corruption and bribery;
- The number of convictions and the amount of fines for infringement of anti-corruption legislation and acts of corruption;
- Cybersecurity metrics.

With the exception of the 'Cybersecurity' theme, which includes targets linked to BNP Paribas Group's cybersecurity programme, the other topics presented in this chapter do not lend themselves to the definition of specific targets or an annual action plan. The management of these risks is instead integrated into the overall operational risk management system, which involves a periodic risk assessment and a continuously evolving portfolio of improvements and corrective actions, tailored to each entity within BNP Paribas Fortis.

6.a Governance

6.a.1 The role of the administrative, management and supervisory bodies

In 2016, the Board of Directors and the General Management of BNP Paribas Group developed a Code of Conduct that defines the standards of conduct in line with the Group's values and mission. The Board of Directors ensures that the General Management deploys and applies this Code in all Group entities.

The Group's Governance, Ethics, Nominations and CSR Committee oversees, among other tasks, the regular updating of the Code of Conduct.

BNP Paribas Fortis bases itself on BNP Paribas Group's Code of Conduct and adapts it where necessary to local regulations and requirements. This Code also reflects its mission, ambitions and strategy. Each year, the Board of Directors of BNP Paribas Fortis assesses whether its Code of Conduct is appropriate for the institution's activities.

At BNP Paribas Fortis, the Conduct Steering Committee oversees the implementation of the conduct system and initiates, if necessary, actions to optimise the business conduct system on a global level.

For specific topics, temporary project steering committees may be set up at a lower level. In this case, they issue quarterly reports to the Conduct Steering Committee.

The expertise, both individual and collective, of the members of the Board of Directors of BNP Paribas Fortis is ensured through the assessment of the relevance of skills carried out at least once a year by the Governance and Nomination Committee. In addition, each (re)appointment is notified to the competent supervisory authority, which assesses the appointment on the basis of suitability and competence criteria.

6.b Impact, risk and opportunity management

Through the double materiality assessment carried out by BNP Paribas Fortis and described in chapter 1. 'General disclosures', section 1.c 'Material impacts, risks and opportunities', BNP Paribas Fortis has identified several material impacts, risks and opportunities related to business conduct:

TABLE No. 42: SUMMARY OF LINKS BETWEEN MATERIAL IROs AND POLICIES, ACTIONS, METRICS AND TARGETS

Category	Title of the material IRO	Policies	Actions	Metrics	Targets
Risks	Legal and reputational risks related to corruption or influence peddling	• General Policy on Anti-Money Laundering and Terrorist Financing • BNP Paribas Fortis' Whistleblowing System Procedure • Gifts and Invitations Procedure • General Anti-Bribery and Corruption Policy • Conflicts of Interest Policy • Code of Conduct	• KYC • Anti-money laundering and counter-terrorist financing/activity monitoring • Reporting suspicions • Negative information screening • Business Relationship screening • Transaction filtering	• Percentage of high-risk functions covered by training programmes on corruption and bribery • Number of convictions and amount of fines for infringement of anti-corruption and anti-bribery legislation	N/A
Risks	Legal risks associated with failing to identify suspicious customer activities	• General Policy on Anti-Money Laundering and Terrorist Financing • General Policy on Financial Sanctions • KYC - Global Policy • Global Policy on the Protection of Market Integrity	• KYC • Anti-money laundering and counter-terrorist financing/activity monitoring • Reporting suspicions • Negative information screening • Business Relationship screening • Transaction filtering	N/A	N/A
Risks	Risks of third-party IT intrusion due to inadequate security	• Specific Cybersecurity Framework of Reference • Cyber Trust 25	• Requirements of the Framework of Reference translated into measures and action plans • Cyber Trust Ambitions 25	• Cyber Landscapes • Cyber Trust Monitoring Committees 25	• Targeted maturity by entity within the Cyber Programme • Cyber Trust 25 Ambitions Goals
Risks	Risks of intentional client fraud				

6.b.1 Corporate culture and business conduct policies

Summary of BNP Paribas Fortis' business conduct policies

The table below summarises the main policies applicable to all BNP Paribas Fortis' entities to manage the impacts, risks and opportunities associated with conducting business.

TABLE No. 43: SUMMARY OF BNP PARIBAS FORTIS BUSINESS CONDUCT POLICIES

Policy	Description of policy content	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for its policy implementation	Interaction with stakeholders
Code of Conduct	The Code of Conduct sets out the rules of conduct that apply to all BNP Paribas Fortis' activities and employees.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	The BNP Paribas Fortis' Code of Conduct is available on the BNP Paribas Fortis' website in French and Dutch.
BNP Paribas Fortis' Whistleblowing System Procedure	This procedure forms the basis of the system put in place within BNP Paribas Fortis to enable employees and certain external third parties to report any violation or suspected violation of laws or the rules of the Code of Conduct safely and under the conditions provided for by the regulations.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally, and a summary is available on the Group's website[1].
Gifts and Invitations Procedure	This procedure sets out the rules that employees must follow when it comes to Gifts and Invitations.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally[2].
Conflicts of Interest Policy	This policy aims to: • Explain possible conflicts of interest in the context of BNP Paribas Fortis' activities, and more generally in a business context; • Set out the broad lines of BNP Paribas Fortis' principles for identifying, preventing and managing conflict of interest situations.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally.
General Anti-Bribery and Corruption Policy	This policy sets out Management's expectations of all employees, who must actively participate in the fight against corruption in order to prevent and detect corruption.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally.
General Anti-Money Laundering and Terrorist Financing Policy	This policy is the foundation on which the bank's Anti-Money Laundering and Terrorist Financing system is based.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally.
General Policy on Financial Sanctions	This policy sets out the principles, standards, internal processes and minimum controls aimed at limiting BNP Paribas Fortis' exposure to the risks associated with any violation of financial sanctions laws and regulatory requirements and the risk posed by any business relationship with sanctioned parties.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally.
KYC - Global Policy	This policy defines BNP Paribas Fortis' vigilance standards in terms of customer knowledge, risk assessment and decision-making.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally.
Global Policy on the Protection of Market Integrity	This policy is the reference for the Market Integrity Domain. It addresses various regulatory issues, in particular: • Questions related to market abuse; • Questions related to conflicts of interest; • The requirements of the Markets in Financial Instruments Directive 2 (MiFID II) relating to market integrity;Benchmark regulation and the principles of the International Organisation of Securities Commissions (ICVM); • Foreign exchange market rules (Global Code of Conduct on the Foreign Exchange Market); • Rules on transparency (threshold overruns) and short selling	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	This policy is distributed internally.

1 *Summary of BNP Paribas's Internal Whistleblowing framework*

2 *Summary of BNP Paribas's Gifts and Invitations procedure*

Policy	Description of policy content	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for its policy implementation	Interaction with stakeholders
Responsible Representation Charter	The Group Executive Committee adopted the Charter for Responsible Representation in 2012. It governs the relations of BNP Paribas Fortis' employees with public authorities and the bank's representation practices. It includes a number of fundamental commitments, including integrity, transparency, governance and social responsibility.	BNP Paribas Fortis	Board of Directors of BNP Paribas Fortis	The Charter is available in French, Dutch and English on the BNP Paribas Fortis website[3].
Specific Cybersecurity Framework of Reference	More globally integrated within the bank's Information and Communication Technologies (ICT) and cyber risk management reference framework.	BNP Paribas Fortis	BNP Paribas Fortis CISO	This set of policies, standards and norms is distributed internally.
Cyber Trust 25	Cybersecurity strategy defined to support the digital transformation of BNP Paribas Fortis. It is based on 5 pillars: • Act responsibly towards customers and regulators; • Be a cyber reference in the market to be trusted and attract talent; • Accelerate transformation and innovation; • Provide a pleasant working environment by building on our corporate social responsibility ambitions; • Moving towards zero digital waste.	BNP Paribas Fortis ('Cyber Security Team')	BNP Paribas Fortis CISO	The ambitions identified in each of the strategic pillars are disseminated throughout the Cyber Supply Chain.

The policies described are subject to a monitoring process as specified in chapter 2. 'Corporate governance and internal control', 4. 'Internal control' of the BNP Paribas Fortis 2024 annual report.

Adherence to the highest ethical standards is a prerequisite for BNP Paribas Fortis. All employees are required to strictly comply with applicable laws, guidelines and regulations in all areas as well as professional standards and internal policies relevant to their activities. In the event of a potential conflict between a country's legislation and BNP Paribas Fortis' ethical rules, employees are required to comply with the stricter local laws while seeking ways to apply and uphold the company's internal ethical standards.

Compliance with these rules, as detailed in the Code of Conduct, is essential to safeguarding the bank's reputation and the trust it receives from its customers and partners.

Code of Conduct

The BNP Paribas Fortis' Code of Conduct, which applies to all staff members, governs their actions and guides decision-making at all levels of the organisation.

Inspired by the BNP Paribas Group' Code of Conduct, it is adapted to the reality of BNP Paribas Fortis through a personalised foreword by the CEO and the Chairman of the Board of Directors. It highlights the bank's mission, ambition and strategy, while remaining true to the distinctive BNP Paribas Fortis' brand.

In accordance with circular NBB_2012_14 relating to the Compliance function, the Board of Directors assesses each year the relevance of the Code of Conduct with regard to the institution's activities. This assessment is based on the Risk Control Self-Assessment (RCSA) analysis on conduct, feedback from the Fraud Investigations' team and Sanctions Committees, as well as an in-depth comparison with a number of similar and comparable banks.

The Code of Conduct sets out the rules of conduct to be shared and applied in different areas:

- Customers' interest;
- Financial security;
- Market integrity;
- The fight against corruption;
- Conflicts of interests;
- Professional ethics;
- Respect for colleagues;
- Protection of the bank;
- Engagement in society.

3 Charter for responsible representation with respect to the public authorities

In addition, an annual analysis is carried out to determine whether local specificities, in accordance with Belgian legislation, must be integrated into the bank's Code of Conduct. Any amendment or new policy underlying the Code of Conduct is subject to validation by the Board of Directors during this annual review.

An employee survey from the end of 2023 confirmed their high level of adherence to the values and behaviours defined in the Code of Conduct, as well as a good knowledge of the channels enabling them to escalate reports.

Management of risks related to conduct

All topics covered in the Code of Conduct are subject to policies and procedures that define rules and processes specific to each type of risk.

These rules and processes are part of the overall internal control system, which defines key principles for risk assessment, controls, incident detection and treatment, monitoring of corrective actions and reporting to Management (cfr. sections 'Governance Declaration' and 'Operational Risk' of the BNP Paribas Fortis 2024 annual report).

The fight against corruption, money laundering and the financing of terrorism

BNP Paribas Fortis has systems for detecting money laundering and terrorist financing transactions in all its entities. These are based on a set of standards and controls, on the vigilance of employees, maintained by mandatory training programmes, and on constantly evolving digital tools.

A strengthened system for the prevention and detection of corruption and influence peddling has also been rolled out and implemented across the organisation.

Compliance with market integrity

BNP Paribas Fortis' market activities, on behalf of its clients or on its own behalf, are strictly governed by systems for the prevention and detection of market abuse and the management of sensitive information and conflicts of interest.

Fight against tax evasion

Full compliance with tax obligations is a core commitment of BNP Paribas Fortis in terms of economic and civic responsibilities. Ensuring the tax compliance of transactions undertaken to meet its needs or those of its customers is therefore a key objective of its governance. To this end, principles and procedures have been defined that apply to all transactions in which BNP Paribas Fortis is a stakeholder. These elements are set out in the BNP Paribas Fortis' Fiscal Code of Conduct and in the Policy note on fiscal abuse prevention policy.

1. The Fiscal Code of Conduct is fully in line with the bank's General Code of Conduct and summarises the principles that every bank's employee or independent agent must comply with from a tax perspective. This Tax Code of Conduct was drawn up as part of the Policy note on fiscal abuse prevention policy, in particular for the part where it considers tax ethics as a concrete aspect of the prevention policy. It describes a number of important principles that form the basis for correct tax behaviour. It sets out appropriate and concrete guidelines in this regard for bank employees and independent agents.
2. BNP Paribas Fortis' Policy note on fiscal abuse prevention policy aims to describe the principles and governance applicable to tax prevention, in accordance with circular NBB_2021_17 and the BNP Paribas Group' tax compliance policy. In safeguard of its reputation, the bank must implement a preventive policy to ensure an exemplary approach to tax matters. As part of this commitment, the implementation of 'special mechanisms' is strictly prohibited. These are defined as practices proposed by the bank or repeatedly applied, with the aim or effect of inducing clients or counterparties to commit tax fraud. A concrete example of such a special mechanism would be allowing an account holder to receive foreign investment income without the bank withholding the necessary Belgian withholding tax.

Protection of customer's interests

The protection of the interests of customers is a major concern of BNP Paribas Fortis. This is why this topic is at the forefront of its Code of Conduct and is a specific area of expertise within the Compliance function (cfr. chapter 5 'Consumers and end-users').

The whistleblowing system

The BNP Paribas Fortis' whistleblowing system is governed by a procedure in accordance with European regulations[4] and the Belgian law[5]. Every BNP Paribas Fortis' employee has the right to raise an alert in the event of a crime or offence, threat or damage to the public interest, violations or attempt to conceal a violation of an international commitment ratified by Belgium, a unilateral act of an international organisation taken on the basis of such a commitment, or EU law, any law or regulation or a breach of the Code of Conduct, a policy or procedure of BNP Paribas Fortis. This right must be exercised in good faith and without direct financial consideration.

The BNP Paribas Fortis' whistleblowing system is also open to external third parties, in application of Belgian law, and in particular to former employees of the bank, its suppliers and their subcontractors, for information obtained in the context of their professional activities.

BNP Paribas Fortis' procedural system on the right to whistleblowing sets out the various channels available to employees and external third parties, the conditions to be met to launch a whistleblowing report, the processing methods and the guaranteed protection against retaliation for whistleblowers.

The BNP Paribas Fortis' whistleblowing system consists of the following key elements:

Independent and secure communication channels accessible to employees and external third parties

The Compliance and HR functions at BNP Paribas Fortis share responsibility for the whistleblowing system, depending on the nature of the alert. The HR function receives and processes alerts relating to respect for individuals, while the Compliance function receives and processes other types of alerts.

Both employees and external third parties can securely submit their concerns via an external reporting system available 24/7 (Whistleblowing Platform[6]) and operated by an external provider via a dedicated online form or telephone service (availability may vary by country due to local regulations and specificities).

Employees wishing to make a report can also contact the management line, HR or Compliance.

In addition, a specific communication channel receives alerts on financial sanctions and embargo breaches.

Each channel is under the responsibility of specifically appointed employees, HR Conduct & Respect Referents and Compliance Referents, depending on the nature of the topics. These referents receive specialised training in handling alerts and are committed to respect confidentiality rules and to ensure an impartial and independent handling of each alert.

The reporting and handling procedures comply with local regulations.

Reports can be submitted in any language commonly used at BNP Paribas Fortis.

All alerts are always treated confidentially. Anonymous whistleblowing is also processed, unless local regulations prohibit it.

Whistleblower protection and confidentiality

No employee who has raised a concern in good faith shall be subject to any direct or indirect disciplinary action, dismissal or discrimination, including with respect to recruitment, compensation, promotion, training, assignment or reclassification. The same protection applies to employees who have witnessed and provided information during the investigation.

The whistleblowing system ensures the confidentiality of the identity of the whistleblower and the persons mentioned in the whistleblowing system, including the person(s) concerned, as well as the information collected in the whistleblowing report and throughout the investigation.

Referents are responsible for implementing these rules and for complying with the laws and regulations applicable to the processing, recording and retention of personal data collected in a whistleblowing alert.

Handling of alerts

The processing of alerts is governed by procedures or collective agreements that define each processing step and include specific rules on protection and confidentiality.

Once an alert is deemed admissible, it is analysed and, if necessary, investigated independently and with the necessary expertise. The processing of alerts must be carried out within specific time limits with the whistleblower being informed at each stage of the process (acknowledgement of receipt, confirmation of admissibility and closure after processing), unless there is a legitimate impediment linked to the anonymity of the alert.

4 Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report violations of Union law.

5 Law of 28 November 2022 on the protection of persons who report violations of Union or national law established within a legal entity of the private sector.

6 Whistleblowing Platform

Employee awareness
All BNP Paribas Fortis' employees are made aware of the Code of Conduct and the whistleblowing system as part of the mandatory Conduct Journey training.

This system and its terms of use are also communicated on the website sites.

Controls
The whistleblowing system is subject to general control plans aimed at verifying access to whistleblowing channels and ensuring compliance with whistleblowing procedures.

Information to the Executive Committee
A comprehensive report on the quantitative and qualitative analysis of alerts (number of alerts, remedial measures) is presented to the Compliance Committee twice a year (to which all Executive Committee's members participate).

Education/training

The topics covered in the Code of Conduct are embedded in a training journey called the 'Conduct Journey', which is regularly updated and enriched - as in 2023 - with whistleblowing channels, diversity, equity and inclusion.

The Conduct Journey develops the basic rules set out in the Code of Conduct, the behaviours expected of employees, and how to identify and deal cases of misconduct.

The course takes place over two years, every two years. It consists of 13 modules spread over this period to ensure continuous learning. Employees therefore follow different modules each year (with the exception of the 'Financial Security' course, which is held annually). Each year, the modules are renewed and adapted to ensure up-to-date content in line with BNP Paribas Fortis' priorities.

When new employees join a BNP Paribas Fortis' entity, they systematically follow the 13 modules of the Conduct Journey.

TABLE No. 44: CONDUCT JOURNEY TRAINING

Targets[7]	All employees of BNP Paribas Fortis
Content	Topics covered in the Code of Conduct: • Importance of Conduct and the culture of 'speak up'; • Anti-bribery and corruption; • Financial security; • Conflicts of interests; • Protection of the interests of customers; • Handling of confidential information; • Commitment to society; • Respect for people; • Diversity, Equity and Inclusion; • Communicate responsibly; • Cybersecurity; • Protecting personal data; • Competition law.
Type of training	E-learning sessions
Duration	3 hours (13 modules over two years)
Completion rate in 2024 (as of 03/01/2025)	99.2%

[7] *The statistics of the headcount targeted by the different training programmes and the completion rate of these programmes are provided automatically by the My Development application, with the exception of the training provided to the directors which is followed manually by the Secretariat of the Board of Directors.*

6.b.2 Prevention and detection of corruption and bribery

BNP Paribas Group has implemented a global system to prevent and detect corruption and influence peddling. Developed in accordance with the French law Sapin II and with regard to international best standards, such as the recommendations of the French Anti-Corruption Agency, the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act, the anti-corruption mechanism (ABC) is described in the Group's anti-corruption policy, and updated with regard to the results of the corruption risk mapping. This global anti-corruption policy is incorporated into the procedures of BNP Paribas Fortis and implemented as such.

Description of the anti-corruption system (ABC)

The BNP Paribas Group's ABC system applies to BNP Paribas Fortis and is expressed by:

- **The statement by the Group CEO**[8], confirming that BNP Paribas, including BNP Paribas Fortis, has a zero-tolerance policy towards corruption and influence peddling;
- **Group-led governance**, monitored at BNP Paribas Fortis' level, responsible for designing and coordinating the ABC system, and overseeing the international network of anti-corruption correspondents present in all business lines and functions;
- **A mapping of corruption risks at BNP Paribas Group's level**: the mapping methodology allows a granular assessment of corruption risks, based on scenarios assessed by the Businesses and Functions. It also enables the prioritisation of risks (with risk factors) and the definition of action plans to respond to them. The risk analysis RCSA is carried out at BNP Paribas Fortis' level;
- **The BNP Paribas Fortis' Code of Conduct**, prefaced by the CEO and the Chairman of the Board of Directors, includes a Group's annex dedicated to the prevention, the detection and the fight against corruption, with illustrations of situations and behaviours that are prohibited or deserve special attention. In addition, policies linked to the Code of Conduct on gifts and invitations, lobbying, conflicts of interest and patronage guide employees on how to manage corruption risks in these situations;
- **A whistleblowing system**: employees have access to whistleblowing channels available in several languages to report violations of the Code of Conduct. A whistleblowing channel is also open to third parties;
- **A third-party assessment**: policies define the assessment measures applied to customers, including politically exposed persons, intermediaries, suppliers and other third parties. This system makes it possible to identify and manage the counterparties most exposed to the risk of corruption, to which specific mitigation measures are applied. Finally, BNP Paribas Fortis has implemented a tool for analysing negative information on third parties, which is accessible to all staff via the website;
- **Anti-corruption controls**: the BNP Paribas Fortis' system is organised around three lines of defence. Businesses are responsible for the first line of defence, while the second line of defence is provided by Functions, such as Compliance, RISK or Finance. The third line of defence is the Inspection Générale, which conducts regular audits, including on corruption risks. Anti-corruption controls are identified in terms of risk mapping scenarios at both Group and local levels, and include checks on key risks and ABC policies. Finally, the analysis of operational incidents related to corruption is carried out quarterly, with results presented to management. Key indicators are used to monitor the ABC system and to report any negative results, accompanied by recommendations or an action plan;
- **Training and communications**: (cfr. paragraph 'Training' below);
- **A disciplinary regime**: any suspicion of corruption or influence peddling involving a BNP Paribas Fortis' employee is investigated and sanctioned if confirmed.

Within BNP Paribas Fortis, fraud incidents, including corruption incidents, are reported to the specialised committees of the Board of Directors. These are:

- The Audit Committee of BNP Paribas Fortis, by the Finance function;
- The BNP Paribas Fortis' Risk Committee by the RISK function;
- A specialised department within the bank dealing with all fraud investigations. It ensures an independent investigation of all fraud incidents and reports directly to the CRO and the COO.

8 Statement by the Group CEO

The investigation report is sent to the relevant Entity Head(s), Chief Risk Officer(s) and members of the HR function. It is also forwarded to the Incidents & Frauds team of the Inspection Générale, the RISK ORM Fraud Prevention and Protection team and the Compliance function.

The report must be distributed confidentially (confidential e-mail, secure platform, etc.).

Any further distribution of the investigation report must be based on the principle of strict necessity. If the investigation has been opened as a result of a whistleblowing report, the relevant Whistleblowing Officer will also be informed. If the investigation relates to a corruption case, the report must be forwarded to the ABC & Professional Ethics (PE) domain. If the investigation reveals elements of money laundering and terrorist financing, the Financial Security Compliance team must be informed immediately.

In the case of internal fraud involving a member of staff, in particular a member of staff of a 'Designated Market Activity', the violation must also be reported to the BNP Paribas Group's Conduct and Risks Audit Committee.

If the results of the investigation raise questions regarding the possible disclosure of the facts to local authorities or the possible filing of a complaint, prior advice should be sought from Legal/Global Dispute Resolution (GDR).

Education/training

The anti-corruption and influence peddling training programme consists of three modules:

i. Mandatory training for all BNP Paribas Fortis' employees: 'Anti-Bribery from Conduct Journey' module.

ii. Mandatory training for those most exposed to the risks of corruption: 'ABC Most Exposed'.

   The most exposed staff members must follow specific training (ABC Most Exposed), adapted to the particularities of their activities and positions, as long as they hold these functions. These are identified with regard to risk mapping - functions that interact with third parties or risk activities (e.g. commercials, purchasing, recruitment) and/or the implementation of the anti-corruption system ((senior) managers, anti-corruption correspondents in particular).

   This biennial advanced training is aimed at:

   - The entire target population every two years;
   - New employees joining the target group the following year.

iii. An ACAMS (Association of Certified Anti-Money-laundering Specialists) anti-corruption certificate has been offered to anti-corruption correspondents within Compliance since 2023.

Members of the Board of Directors benefit from a training session on anti-corruption and financial security on a regular basis (the last one took place in September 2023).

TABLE No. 45: ANTI-CORRUPTION AND INFLUENCE PEDDLING AND FINANCIAL SECURITY TRAINING

Training course	Anti-corruption and influence peddling - Most exposed personnel	Certificate 'Anti-corruption – advanced'
Target	2023: all the BNP Paribas Fortis' most exposed employees 2024: new entrants	Population identified as requiring certification
Subject	Presentation of the BNP Paribas Fortis' global anti-corruption system. Illustrations aimed at knowing how to detect cases of corruption during daily activities with the various stakeholders.	Introducing: (i) different types of corruption and associated regulations; (ii) Red flags and measures aimed at managing, controlling and reporting corruption risks within its organisation.
Type of training	E-learning sessions	E-learning sessions
Duration	40 minutes	11 hours
Periodicity	Every two years: full target/new entrants	One-time
Completion rate in 2024 (as of 03/01/2025)	97.7% in 2023 94.8% in 2024	100%

6.c Metrics and targets

6.c.1 Proven cases of corruption or bribery

BNP Paribas Fortis has not been convicted or fined for violations of the anti-corruption laws in the last five years.

All corruption-related incidents are incorporated into a broader analysis to identify corrective actions at the system level.

6.c.2 Political influence and lobbying activities

BNP Paribas Group engages in dialogue with public authorities in full compliance with ethical and transparency principles. In 2012, the Group Executive Committee adopted a 'Charter for responsible representation with public authorities'. This charter sets out a number of fundamental commitments relating to integrity, transparency, social responsibility, and respect for universal democratic values. It specifically states that the bank will carry out its representation activities in line with its overall approach and its public commitments on the environment and climate change, including its support for the objectives of the Paris Agreement.

Governance

The Department of Institutional Affairs (DIA), created at the end of 2012, is responsible for ensuring consistency of BNP Paribas Group-wide positions on key issues on behalf of the Executive Committee. The DIA is responsible for Prudential Affairs, Recovery and Resolution, ECB Group Relations, and European and French Public Affairs.

In Belgium, BNP Paribas Fortis strictly applies the BNP Paribas Group's Charter for Responsible Representation to Public Authorities. The bank's Executive Committee oversees the lobbying activities of the Belgian Public Affairs' team.

Gifts in cash or in kind

A BNP Paribas Fortis' procedure defines the rules to be observed by BNP Paribas Fortis' employees with regard to gifts and invitations. In particular, this procedure prohibits direct or indirect donations or grants to political parties, political groups or committees, or political persons, made by or on behalf of any BNP Paribas Fortis' entity.

Main topics covered by lobbying activities

In Belgium and during 2024, BNP Paribas Fortis has engaged in activities around four themes:

- Housing, with proposals to accelerate the transition: access by banks to EPC databases, harmonisation of EPC standards between regions and better information on available public support;
- Mobility, with proposals to accelerate the transition: a mobility budget for all employees, increasing the number of 'mobility hubs', facilitating data exchanges with public transport operators, improving the charging infrastructure, motivating individuals to buy electric vehicles and leading the transition in the public sector;
- Accessibility, which includes access to a bank account, access to cash, as well as existing digital solutions;
- Digital inclusion with DigitAll, an alliance to combat the digital divide in Belgium.

Lobbying register registration

The bank is listed in the lobby register of the Chamber of Representatives in Belgium (Registration N°: N/A).

Appointment of a member of administrative bodies who has held a comparable position in a public administration

Only one person is concerned within BNP Paribas Fortis:

- Ms Laurence de l'Escaille is a non-executive member of the Board of Directors of the Elia Group, which is partly owned by Publi-T and Publipart. She is also an independent member of the Nuclear Provisions Commission.

7 Additional information specific to the entity

7.a Market integrity and financial security

7.a.1 Market integrity

Open and transparent markets are essential for economic development. BNP Paribas Fortis is committed to doing what it can to maintaining and preserving the integrity of the markets.

The Market Integrity Programme is designed in strict compliance with regulations and is based on the following pillars:

- Operational policies and procedures;
- Computer tools;
- Specialised teams of employees;
- An independent internal control and audit system;
- An ongoing training programme.

It consists of two main activities:

- Managing inside information and preventing conflicts of interest;
- Monitoring transactions and communications, while contributing to the smooth functioning and transparency of markets.

Managing inside information and preventing conflicts of interest

BNP Paribas Fortis has implemented policies relating to the management of inside and sensitive information, market surveys, contribution to indices, protection of confidential data, in accordance with national and international regulations, as well as with good practices and recommendations from the competent authorities (the Financial Services and Markets Authority (FSMA) in Belgium).

BNP Paribas Fortis has set up an internal system to ensure the proper processing and circulation of inside information.

Inside information and its holders within BNP Paribas Fortis are subject to permanent record-keeping. To ensure confidentiality and prevent insider trading, information barriers and strict segregation of activities (investment banking, proprietary transactions, asset management) are systematically established and monitored.

Conflicts of interest are also subject to a process of detection, identification of the internal and external actors concerned and prevention of risks linked to conflicts of interest situations in market activities (e.g. the maintenance and management of lists of issuers or customers).

Monitoring transactions and communications, while contributing to the smooth functioning and transparency of markets

In order to protect the integrity of markets, a system to combat market abuse has been put in place to prevent, detect and report market abuse where necessary. This scheme encompasses the dissemination or misuse of inside information in order to prevent insider trading, price manipulation and the disclosure of false information. It covers both brokerage activities and BNP Paribas Fortis' own account activities, either acting as a counterparty or market maker.

Transactions potentially constituting market abuse are the subject of a declaration to the authority concerned, the FSMA in Belgium.

This system is associated with the supervision of orders and transactions in all the business lines concerned, as well as compliance with pre- and post-trade transparency obligations and post-trade declarations.

Furthermore, monitoring of oral and/or electronic communications is in place, according to procedures specific to each of the business lines.

The scheme also incorporates reporting obligations related to crossing thresholds and short positions.

7.a.2 Financial security

BNP Paribas Fortis is firmly committed to complying with international economic sanctions and to combating money laundering and the financing of terrorism. The bank strictly complies with the applicable laws and regulations in this regard.

In this context, BNP Paribas Fortis has adopted and maintains a global financial security programme designed by BNP Paribas Group in a risk-based approach that respects the specificities and legislation of Belgium. Significant human and technical resources are devoted to this, both by the business lines and by the Compliance function.

The programme is based on the following pillars:

- Operational policies and procedures;
- Computer tools;
- Teams of employees specialised in implementing the financial security programme;
- An independent internal control and audit system;
- An ongoing training programme.

It consists of three main activities:

- Knowledge of customers;
- Enforcement of international sanctions and embargoes;
- Combating money laundering and the financing of terrorism.

Know your customers

Know your customers or KYC is an essential component of financial security risk management. It contributes both to the prevention of money laundering and the financing of terrorism and to compliance with international sanctions.

It also plays a role in the fight against corruption (cfr. chapter 6 'Business conduct', section 6.b 'Impact, risk and opportunity management', point 6.b.2 'Prevention and detection of corruption and bribery'), compliance with tax laws and regulations, protection of customer interests, social and corporate responsibility and market integrity.

It requires the implementation of a set of vigilance measures aimed at identifying customers, their beneficial owners and their agents, analysing the nature and location of their activity, and characterising the purpose of their business relationship with BNP Paribas Fortis.

Enhanced due diligence measures are applied to clients who present a high risk, politically exposed persons, as well as other types of high-risk situations.

Similar measures are applied to suppliers and other types of BNP Paribas Group partners.

Compliance with international sanctions and embargoes

Compliance with international sanctions and embargoes issued by the EU, France, Belgium, the United States and any other national authority where applicable is based on a dual mechanism:

- Customer databases are regularly screened for the presence of persons subject to sanctions;
- International and domestic transactions involving non-Reliance Agreement bankers are screened for attempts to violate or circumvent sanctions or embargoes.

These systems implemented in all BNP Paribas Group entities consist of standardised processes, in particular:

- Continuous updating of sanctions lists;
- Conducting investigations into customers, third parties and transactions that have generated screening or filtering alerts;
- The process of reporting to the authorities.

They are also supplemented by an employee training plan (cfr. chapter 6. 'Business conduct', section 6.b 'Impact, risk and opportunity management', point 6.b.1 'Corporate culture and business conduct policies', paragraph 'Training') and an independent control system.

Combating money laundering and the financing of terrorism

Specific mechanisms based on both IT transaction monitoring tools and employee vigilance aim to detect and report to the competent authorities:

- Money laundering, which consists in the integration into the financial system of the product of criminal activities such as corruption, tax crime, drug trafficking, organised crime, misappropriation of funds to conceal their illegal origin;
- Financing terrorism by means of funds of which the origin may be legitimate or illegal.

The investigation of alerts and the timely reporting of suspicions to the authorities, as well as subsequent measures, are subject to precise procedures.

The integration of geographic risks

In addition to the arrangements described above, BNP Paribas Group maintains an assessment of the financial security risks posed by the countries or regions, which complements the analysis of the plans to enter into a business relationship or existing business relationships, and which may lead to the avoidance or termination of a business relationship, or to the refusal of a transaction or the provision of a financial service.

BNP Paribas Fortis has adopted the Group's assessment, in addition to local specificities in terms of identifying countries with a high geographic risk.

7.b Cybersecurity

7.b.1 General information

In the ever-changing landscape of the global financial industry, BNP Paribas Fortis recognises the central role of Information and Communication Technologies (ICT) in maintaining operational resilience. As a universal bank, BNP Paribas Fortis faces many challenges in ensuring the security, robustness and resilience of its ICT systems. The interconnected nature of operations, combined with the rapid pace of technological progress and the need to increasingly rely on third parties to provide essential services, requires a strategic and adaptive approach to risk management.

BNP Paribas Fortis is exposed to cybersecurity risk, i.e. the risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, banking/insurance, technical or strategic), processes and/or users, with the aim of causing material losses to companies, employees, partners and customers of BNP Paribas Fortis and/or for extortion purposes (ransomware).

In recent years, an increasing number of companies (including financial institutions) have been subject to intrusions or attempted intrusions into their IT security systems, sometimes as part of complex and highly targeted attacks on IT networks. Techniques to hack, disrupt, degrade the quality of services provided, steal confidential data or sabotage IT systems have been developed and are constantly evolving, and are often impossible to detect before an attack is launched. As a result, BNP Paribas Fortis and its third-party service providers may not be able to protect themselves against such techniques or to quickly implement an adequate and effective system of countermeasures. Any failure or interruption of the IT services of BNP Paribas Fortis or its third-party service providers and any resulting disclosure of confidential information (of customers, counterparties or employees of BNP Paribas Fortis or any other person) that may result therefrom, or any intrusion or attack on its communication systems and networks could cause significant losses and adversely affect the reputation, operating results and financial situation of BNP Paribas Fortis.

Regulators now consider cybercrime to be a growing systemic risk for the financial sector. They have emphasised the need for financial institutions to improve their resilience to cyberattacks by strengthening internal IT monitoring and control procedures. A successful cyberattack could then expose the bank to a fine from the regulatory authorities, particularly in the event of a loss of personal customer data.

7.b.2 Governance

The bank's Executive Committee oversees cybersecurity through dedicated governance that provides an overview of the situation at BNP Paribas Fortis. The Information Security Steering Committee (ISSC) regularly monitors the roll-out plan of the bank's cybersecurity programme, its action plan, the priority topics and the related budget. The Executive Committee of BNP Paribas Fortis, on the other hand, places its actions within the framework of the cybersecurity programme, which allows it to take decisions at the appropriate level if necessary.

At the same time, the IT Risk Management Committee (ITRMC), an ad hoc decision-making body at IT management level, deals with cyber risks, risks linked to the implementation of the IT strategy and operational resilience.

Cybersecurity governance is based on the 'three lines of defence' model, an integrated model covering all BNP Paribas Group entities including BNP Paribas Fortis:

- The first line of defence is organised around the Group's IT Functions and Entities with their Chief Information Officer (CIO), IT and cyber risk management representatives. They are responsible for managing cybersecurity;
- The second line of defence is provided by the RISK Function, which continuously exercises a critical ('check & challenge') and independent view on the effectiveness of its RISK management, particularly with regard to the first line of defence;
- The third line of defence is provided by the auditors of the Inspection Générale conducting periodic inspections.

7.b.3 Policies and responsibilities

To address cybersecurity risks, the bank has put in place a global system that is mainly based on a cybersecurity framework of reference and a cybersecurity strategy aligned with the one of BNP Paribas Group entitled 'Cyber Trust 25'.

Within BNP Paribas Group's ICT and cyber risk management framework, there is a specific cybersecurity reference framework. It consists of a set of documents (policies, standards and norms) that define the basic requirements for cybersecurity and provide a standardised approach to mitigating risks. Aligned with industry best practices, this ensures a consistent implementation of processes and associated controls within BNP Paribas Fortis, thus strengthening the overall cybersecurity position. The Cybersecurity Reference Framework is composed of several cybersecurity topics. Each contains procedures (e.g. types of policies to be applied), requirements or guidelines. These cybersecurity topics are defined to address the specific cybersecurity risks faced by the bank, such as disruption of services or data leakage, as well as the associated impacts, such as reputational damage or legal proceedings by regulatory authorities.

These framework requirements and procedures are mandatory for all Group entities worldwide. In addition to these requirements, entities may define additional local requirements to address specific risks at the entity level that are not addressed by BNP Paribas Group.

BNP Paribas Group has also defined a cybersecurity strategy to support BNP Paribas Group's digital transformation. This strategy called Cyber Trust 25 is based on 5 pillars:

- Act responsibly towards customers and regulators;
- Be a cyber reference in the market to be trusted and attract talent;
- Accelerate transformation and innovation;
- Provide a pleasant working environment by building on our corporate social responsibility ambitions;
- Ensure zero digital waste based on business needs and risks.

The deployment of the Cyber Trust 25 strategy applies to all cybersecurity teams across the Group entities, which are grouped under the term 'Cyber Industry'.

The definition of a global cybersecurity vision and strategy is the responsibility of the BNP Paribas Fortis Information Systems Security Officer (ISSO). This ensures that cybersecurity and ICT risk management are integrated into the project delivery process by providing appropriate policies, practices and guidelines. He is also responsible for defining and implementing the cybersecurity programme and remediation projects to address cybersecurity risks, while ensuring their implementation within the bank.

It should be noted that although Arval, BGL BNP Paribas and TEB are within the consolidated scope of BNP Paribas Fortis, they apply similar local governance and report directly to the CISO of BNP Paribas Group on the progress of their cybersecurity programme.

7.b.4 Actions

BNP Paribas Fortis applies the requirements defined in the Cybersecurity Framework of Reference. The bank takes proactive measures to ensure compliance with published rules, requirements and deadlines, while allocating resources effectively. The published requirements are translated into concrete measures and initiatives aimed at improving the cybersecurity posture of BNP Paribas Fortis.

As an entity of the BNP Paribas Group, BNP Paribas Fortis reviews the requirements published in the Cybersecurity reference Framework. The bank carefully assess the scope, applicability and timelines associated with each requirement, ensuring that they understand their obligations.

As a result of this assessment, BNP Paribas Fortis develops detailed action plans describing the tasks, milestones and implementation deadlines. These action plans prioritise activities according to risk level, regulatory requirements and operational objectives. The focus is on establishing clear responsibilities for each task to ensure efficient execution.

BNP Paribas Fortis allocates the necessary resources, including human, technological and budgetary resources, to support the implementation of the action plans. Budgets are carefully reviewed and adjusted as necessary to reflect the costs associated with compliance efforts.

In addition, each pillar of Cyber Trust 25 consists of several ambitions, which in turn are translated into initiatives that must result in concrete deliverables or actions. In order to take into account the continuous evolution of the cyber threat, the ambitions of the Cyber Trust 25 strategy can be adapted and additional action plans defined.

7.b.5 Targets

Within the ICT and cyber risk management reference framework, each requirement related to cybersecurity issues is associated with a due date.

BNP Paribas Fortis' progress on each of the cybersecurity topics is monitored as part of BNP Paribas' cybersecurity programme. This uses a risk-based approach to calculate the level of cyber maturity to be achieved, based on the objectives defined in a cybersecurity matrix.

Finally, the initiatives related to the Cyber Trust 25 cybersecurity strategy are the subject of targeted and quantified action plans and objectives.

7.b.6 Metrics

Several metrics have been established to measure the level and progress of BNP Paribas Fortis' cybersecurity.

Every year, the Cybersecurity department of BNP Paribas Fortis carries out several campaigns. These are integrated into the cybersecurity programme in order to assess compliance with the implementation of the objectives set. The results are communicated to Management during cybersecurity reviews.

Progress on Cyber Trust 25 ambitions is regularly monitored in dedicated committees. The purpose of these meetings is to present the progress on each of the initiatives included in the strategy. Indicator tables are presented and commented on.

In addition, BNP Paribas Fortis relies on generic ICT control libraries to conduct self-assessments regarding the implementation of IT governance, IT risk, and cybersecurity requirements. These libraries provide a structured framework for assessing compliance with established controls, identifying areas of non-compliance and developing remediation plans where necessary.

8 Annex

8.a General disclosures

8.a.1 General basis for the preparation of the sustainability statement

Although it meets the size criteria required by the CSRD regarding the preparation of sustainability statements, some of the subsidiaries of BNP Paribas Fortis benefit from the exemption provided for in Articles 19a (9) and 29a (8) of the Accounting Directive (Directive 2013/34/EU).

These EU-domiciled entities are large enough to be subject to the requirement to publish sustainability statements on a sub-consolidated basis, but they do not issue securities listed on EU regulated markets and belong to a parent entity that is itself subject to publication requirements on a consolidated basis.

TABLE No. 46: LIST OF BNP PARIBAS FORTIS EUROPEAN SUBSIDIARIES EXEMPT FROM THE REQUIREMENT TO PUBLISH A SUSTAINABILITY STATEMENT AND COVERED BY BNP PARIBAS FORTIS' PUBLICATION

Name	Country
BNPP Lease Group	France
BGL BNPP	Luxembourg

8.a.2 Disclosures in relation to specific circumstances

Time horizons, estimates, sources of uncertainty

The existence of special circumstances may change the content of sustainability information. Such changes may involve a departure from the time horizons initially defined by the standard, but also the use of estimates concerning the value chain, or sources of uncertainty relating to those estimates. The table below refers to the parts of the report that clarify these particular circumstances.

TABLE No. 47: TIME HORIZONS, ESTIMATES, SOURCES OF UNCERTAINTY

	Description of the publication requirement	Corresponding information	CSRD sections
Time horizons	9.a. Publication of medium or long-term time horizons in the event of deviations from the defined time horizons	Climate stress tests	Chapter 2. 'Climate change' 2.a.3 'Description of strategy and business model resilience'
	9.b. Publication of the reasons why the application of these time horizon definitions is different		
Value chain estimation	10.a. Publication of indicators used that include upstream and downstream value chain data estimated using indirect sources, such as sector averages or other approximations	Climate stress tests Scope 3 category 15 (investments) Scope 3 category 6 (business travel) Targets and baselines relating to the main sectors that emit the most greenhouse gases	Chapter 2. 'Climate change' 2.c.4 'Gross GHG emissions' Chapter 2. 'Climate change' 2.c.1 'BNP Paribas Fortis targets and metrics related to its impact on climate change' Chapter 2. 'Climate change' 2.c.2 'BNP Paribas Fortis targets and metrics related to its opportunities on climate change'
	10.b. Description of the basis of preparation used for these indicators, including value chain data estimated using indirect sources		
	10.c. Description of the level of accuracy resulting from indicators that include value chain data estimated using indirect sources		
	10.d. Where applicable, description of actions planned to improve the accuracy of indicators that include value chain data estimated using indirect sources		
Sources of estimation and outcome uncertainty	11.a. Publication of quantitative indicators and monetary amounts that are subject to a high level of measurement uncertainty	Climate stress tests Scope 3 category 15 (investments) Scope 3 category 6 (business travel)	Chapter 2. 'Climate change' 2.c.1 'BNP Paribas Fortis targets and metrics related to its impact on climate change' Chapter 2. 'Climate change' 2.c.4 'Gross GHG emissions'
	11.b.i. Publication of information on sources of measurement uncertainty		
	11.b.ii. Publication of assumptions, approximations and judgements the entity has made in measuring an amount		

More specifically, metrics that include estimates relating to the value chain of the main sectors with the highest GHG emissions are described below:

10.a Several metrics include data upstream or downstream of the value chain (Scope 3). These are as follows:

- Financed emissions (expressed in $MtCO_2e$) for upstream (exploration-production) activities of the oil and gas sector (for Scopes 1 and 2, and the combustion part of Scope 3) and for refining activities (Scopes 1 and 2).
- Automobile emissions intensities, covering vehicle exhaust CO_2 emissions (i.e. emissions from "tank to wheel" or downstream from scope 3), expressed in gCO_2/km and using the Worldwide Harmonised Light Vehicle Test Procedure (WLTP). The majority of emissions from the automotive sector consist of CO_2.
- Emissions associated with upstream fuel production (upstream scope 3 emissions), which are also taken into account for the aviation and maritime transport sectors and therefore used in alignment metrics expressed on a Well-to-Wake basis.

It should be noted that emissions associated with the energy consumption of building residents in the commercial real estate (CRE) sector (downstream Scope 3 emissions) are based on the measurement methodologies implemented by Real Estate Investment Trusts (REITs) when producing their sustainability reports, which are considered a direct source of data. Consequently, the commercial real estate sector is excluded from the analysis below.

10.b. The methods used to calculate these metrics include the following.

- Scope 3 emissions from the oil and gas sector are calculated using company production figures provided by the Wood Mackenzie database, the IEA's breakdown of global refining production (granular information on the different types of fuels from oil refining) and emission factors by fuel type given by the IPCC 2006 report. These are the most recent figures available. It should be noted that fuel emission factors are physical parameters and therefore stable over time.
- The intensity of emissions from the automotive sector is calculated using sector production data for each technology (electric vehicles, plug-in hybrids, mild hybrids and combustion-engine vehicles) provided by the S&P-IHS Markit mild hybrids and average technology emission factors calculated using the Asset Impact database.
- The transition from a Tank-to-Wake (TTW) to a Well-to-Wake (WTW) measurement for aviation is based on a conversion factor for fuel provided by the International Civil Aviation Organisation (ICAO) and is performed by an internal team.
- The transition from a TTW to a WTW measurement for maritime transport is based on the use of average conversion factors per vessel type, as provided by shipping consultancy DNV.

10.c. Level of uncertainty resulting from and related to the use of indirect sources in the estimation of upstream and/or downstream data in the value chain (e.g. sector average data or other proxies):

- The level of certainty in the calculation of downstream Scope 3 emissions from the oil and gas sector is very high. That certainty is based on the latest Wood Mackenzie production data and aggregated at company level (high level of data accuracy), on physical parameters that are stable over time and on the average granular decomposition of refined oil into different types of fuels provided by recognised bodies (IEA and IPCC).
- The level of certainty in the calculation of the automotive Scope 3 emissions intensity is medium, as it is based on the latest S&P Global-IHS Markit production data that is aggregated at company level (high level of data accuracy) and the average emission factors per technology from Asset Impact (medium level of accuracy). This is because there is currently no up-to-date and unanimously recognised database on emissions intensities in the automobile industry. Thus, the Group's calculations rely on Asset Impact, which aggregates the emission intensities that can be recovered from local regulatory sources (e.g. the European Economic Area).
- The level of certainty in calculating aviation emissions intensity is high. It is based on activity data at asset level (air traffic and fuel consumption with a high level of accuracy), on the emissions factor used to convert fuel consumption into emissions (high level of accuracy as it is a stable physical parameter) and on an average TTW to WTW conversion factor provided by the ICAO (low level of accuracy as it is based on an average global conversion factor).

- The level of certainty in calculating the emissions intensity of the maritime transport sector is high as it is based on activity data at asset level (distance and fuel consumption with a high level of accuracy), on the emissions factor used to convert fuel consumption into emissions (high level of accuracy as this is a stable physical parameter) and on an average TTW to WTW conversion factor provided by a shipping consultancy company that bases its analyses on actual shipping data (low level of accuracy as based on an average overall conversion factor).

10.d. Calculations are currently being made using the best available data. The intention is to continue using the latest data and more granular emission factors and conversion factors, or to use them as soon as they become available.

Metrics and targets

All targets defined are linked to material impacts, risks and opportunities from the stakeholder perspective. When metrics presented in the report have been validated by an external body other than the guarantor, the latter has been mentioned.

Incorporation by reference

Some specific items of data prescribed by a disclosure requirement have been incorporated by reference. They are listed below.

TABLE No. 48: LIST OF INFORMATION INCORPORATED BY REFERENCE

Disclosure requirement	Datapoint content	Chapter/section in which the cross reference is used (in)	Chapter/section/page that the cross reference mentions (out)
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	§21a - the composition and diversity of the administrative, management and supervisory bodies §21b - representation of employees and other workers; §21c - experience relevant to the sectors, products and geographic locations of the undertaking; §21d - percentage by gender and other aspects of diversity that the undertaking considers. Gender balance in the governance bodies is represented by the average ratio of women to men in those bodies; §21e - the percentage of independent board members	Chapter 1. 'General disclosures' / Section 1.a.1 'The role of the administrative, management and supervisory bodies'	Corporate Governance Statement (p.28 to 45) For more details, it is also referred to the Corporate Governance Charter
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	§23a - the sustainability-related expertise that the bodies, as a whole, either directly possess or can leverage, for example through access to experts or training;	Chapter 1. 'General disclosures' / Section 1.a.1 'The role of the administrative, management and supervisory bodies'	Corporate Governance Statement/ p.33
ESRS G1 Disclosure requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	§5b - the expertise of the administrative, management and supervisory bodies on business conduct matters.	Chapter 1. 'General disclosures' / Section 1.a.1 'The role of the administrative, management and supervisory bodies'	Corporate Governance Statement p.28 to 31
ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	§29 - The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist: a) a description of the key characteristics of the incentive schemes; b) whether performance is being assessed against specific sustainability-related targets and/or impacts, and if so, which ones; c) whether and how sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies; d) the proportion of variable remuneration dependent on sustainability-related targets and/or impacts	Chapter 1. 'General disclosures' / Section 1.a.2 'Integration of sustainability-related performance in incentive schemes'	Corporate Governance Statement / 3.Internal Control Procedures p.41
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	§48f - information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (cfr. ESRS 1 chapter 6 Time horizons). When providing quantitative information, the undertaking may disclose single amounts or ranges;	Chapter 1. 'General disclosures' / Section 1.c.2 'Material impacts, risks and opportunities and their interaction with the strategy and business model'	Core businesses p.12 to 15
ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting	§36 - the undertaking shall disclose the following information: a) the scope, main features and components of the risk management and internal control processes and systems in relation to sustainability reporting; b) the risk assessment approach followed, including the risk prioritisation methodology; c) the main risks identified and their mitigation strategies including related controls;	Chapter 1. 'General disclosures' / Section 1.a.3 'Risk management and internal controls over sustainability reporting'	3. Internal Control Procedures p.41

8.a.3 Disclosure requirements in ESRS covered by the undertaking's sustainability statements

Description of procedures for identifying materiality of information

After conducting the double materiality assessment on the topics, BNP Paribas Fortis conducted a materiality analysis of the information to be published. This analysis is carried out qualitatively, based on the adequacy of the information required by the CSRD with the activities of BNP Paribas Fortis. Indeed, certain information is not relevant due to the nature of the bank's financial activities or strategy, and is therefore considered as non-material for BNP Paribas Fortis and is therefore not published

List of publication requirements met by preparing the sustainability report, according to the results of the materiality assessment (table of contents)

BNP Paribas Fortis has complied with the disclosure requirements below by preparing the sustainability report, based on the results of the materiality assessment.

TABLE No. 49: LIST OF DISCLOSURE REQUIREMENTS FULFILLED BY PREPARING THE SUSTAINABILITY STATEMENT

Disclosure Requirements (DR)	Paragraphs
ESRS 2 General disclosures to be published	
BP-1 General basis for the preparation of the sustainability statement	1. General disclosures and 8.Annex
BP-2 Disclosure of information relating to special circumstances	
GOV-1 The role of administrative, management and supervisory bodies	1. General disclosures 1.a Governance
GOV-2 Information to the company's administrative, management and supervisory bodies and sustainability issues dealt with by these bodies	
GOV-3 Integration of sustainability results into incentive systems	
GOV-4 Due diligence statement	
GOV-5 Sustainability information risk management and internal controls	
SBM-1 Strategy, business model and value chain	1. General disclosures 1.b Strategy, business model and stakeholders
SBM-2 Interests and views of interested parties	
SBM-3 Significant impacts, risks and opportunities and their link to strategy and business model	1. General disclosures 1.c Material impacts, risks and opportunities
IRO-1 Description of procedures for identifying and assessing significant impacts, risks and opportunities	
IRO-2 ESRS Disclosure requirements covered by corporate sustainability statement	8. Annex
ESRS E1 Climate Change	
ESRS 2 GOV-3 Integration of sustainability performance into incentive mechanisms	1. General disclosures 1.a Governance
E1-1 Climate change mitigation transition plan	2. Climate change 2.a Strategy
ESRS 2 SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model	
ESRS 2 IRO-1 Description of processes for identifying and assessing significant climate change impacts, risks and opportunities	1. General disclosures 1.c Material impacts, risks and opportunities
E1-2 Policies related to climate change mitigation and adaptation	2. Climate change 2.b Impact, risk and opportunity management
E1-3 Actions and resources related to climate change policies	
E1-4 Targets related to climate change mitigation and adaptation	2. Climate change 2.c Metrics and targets
E1-5 Energy consumption and energy mix	
E1-6 Gross scope 1, 2, 3 GHG emissions and total GHG emissions	
E1-7 GHG absorption and mitigation projects financed by carbon credits	
ESRS S1 Own Workforce	
ESRS 2 SBM-2 Stakeholder interests and views	1. General disclosures 1.b Strategy, business model and stakeholders
ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	4.Own workforce 4.a Strategy
S1-1 Own workforce policies	4.Own workforce 4.b Impact, risk and opportunity management
S1-2 Process for interacting on impacts with company employees and their representatives	
S1-3 Adverse impact remediation procedures and channels for company employees to raise concerns	
S1-4 Actions concerning significant impacts on the company's workforce, approaches to manage significant risks and seize significant opportunities concerning the company's workforce, and the effectiveness of these actions	

Disclosure Requirements (DR)	Paragraphs
S1-5 Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities	4.Own workforce 4.c Metrics and targets
S1-6 Company employee characteristics	
S1-7 Characteristics of external workers in the company's workforce	
S1-8 Coverage of collective bargaining and social dialogue	
S1-9 Diversity metrics	
S1-10 Decent wages	
S1-11 Social protection	
S1-12 Disabled persons	
S1-13 Training and competency development metrics	
S1-14 Health and safety metrics	
S1-15 Work-life balance metrics	
S1-16 Compensation metrics (compensation gap and total compensation)	
S1-17 Serious human rights cases, complaints and impacts	
ESRS S4 Consumers and End-users	
ESRS 2 SBM-2 Interests and views of interested parties	1. General disclosures 1.b Strategy, business model and stakeholders
ESRS 2 SBM-3 Significant impacts, risks and opportunities and interaction with strategy and business model	5. Consumers and end-users 5.a Strategy
S4-1 Consumer and end-user policies	5. Consumers and end-users 5.b Impact, risk and opportunity management
S4-2 Process of interaction on impacts with consumers and end-users	
S4-3 Adverse impact procedures and channels for consumers and end-users to raise concerns	
S4-4 Actions concerning significant impacts on consumers and end-users, approaches to manage significant risks and seize significant opportunities for consumers and end-users, and effectiveness of these actions	
S4-5 Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities	5. Consumers and end-users 5.c Metrics and targets
ESRS G1 Business Conduct	
ESRS 2 GOV-1 The role of administrative, management and supervisory bodies	1. General disclosures 1.a Governance
ESRS 2 IRO-1 Description of procedures for identifying and assessing significant impacts, risks and opportunities	1. General information Material impacts, risks and opportunities
G1-1 Corporate Culture and Business Conduct Policies	6. Business conduct 6.b Impact, risk and opportunity management
G1-3 Prevention and detection of corruption and bribery	
G1-4 Proven Cases of Corruption or Proven Bribery	6. Business conduct 6.c Metrics and targets
G1-5 Political influence and lobbying activities	
Cybersecurity	7. Additional information specific to the entity
Market Integrity and Financial Security	

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Some CSRD datapoints are required by other EU legislation, as listed below.

TABLE No. 50: TABLE OF CSRD DATAPOINTS REQUIRED BY OTHER EU LEGISLATION

Disclosure requirement and related datapoint	SFDR[1] reference	Pillar 3 reference[2]	Benchmark Regulation reference[3]	EU Climate Law referenceLaw (26) reference[4]	Reference in the sustainability statements
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816[5], Annex II		1. General disclosures 1.a Governance
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		1. General disclosures 1.a Governance
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				1. General disclosures 1.a Governance
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[6] Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818[7], Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119 Article 2(1)	2. Climate change 2.a Strategy
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		2. Climate change 2.a Strategy
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2. Climate change 2.c Metrics and targets

1 *Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability‐related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).*

2 *Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).*

3 *Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).*

4 *Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).*

5 *Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).*

6 *Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.)*

7 *Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Parisaligned Benchmarks (OJ L 406, 3.12.2020, p. 17).*

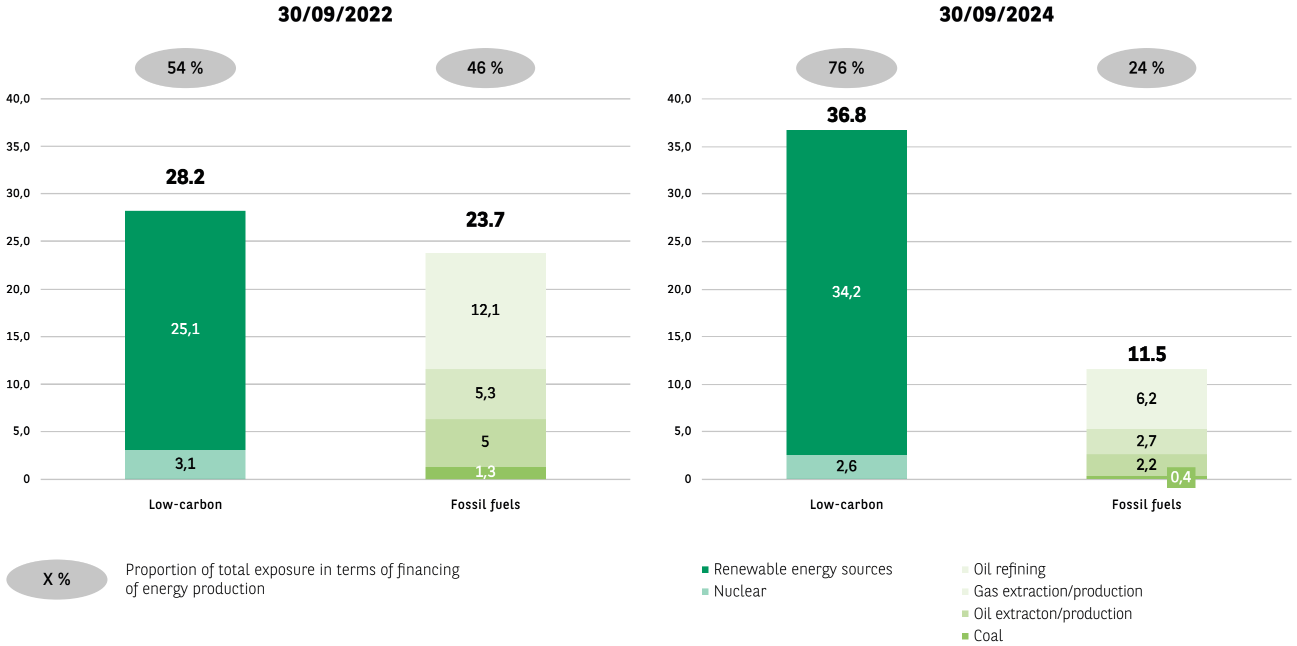
Disclosure requirement and related datapoint	SFDR[1] reference	Pillar 3 reference[2]	Benchmark Regulation reference[3]	EU Climate Law referenceLaw (26) reference[4]	Reference in the sustainability statements
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Non-material information
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				2. Climate change 2.c Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Non-material information
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		2. Climate change 2.c Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2. Climate change 2.c Metrics and targets
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119 Article 2(1)	2. Climate change 2.c Metrics and targets
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in application
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in application
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in application
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in application
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Non-material information
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Non-material information
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Non-material information
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Non-material information
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Non-material information
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Non-material information
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Non-material information
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Non-material information
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Non-material information

Disclosure requirement and related datapoint	SFDR[1] reference	Pillar 3 reference[2]	Benchmark Regulation reference[3]	EU Climate Law referenceLaw (26) reference[4]	Reference in the sustainability statements
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Non-material information
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Non-material information
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Non-material information
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Non-material information
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Non-material information
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				4. Own workforce 4.b Impacts, risks and opportunities management
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				4. Own workforce 4.b Impacts, risks and opportunities management
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4. Own workforce 4.b Impacts, risks and opportunities management
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		4. Own workforce 4.b Impacts, risks and opportunities management
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				4. Own workforce 4.b Impacts, risks and opportunities management
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				4. Own workforce 4.b Impacts, risks and opportunities management
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				4. Own workforce 4.b Impacts, risks and opportunities management
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4. Own workforce 4.c Metrics and targets
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				4. Own workforce 4.c Metrics and targets
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4. Own workforce 4.c Metrics and targets
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				4. Own workforce 4.c Metrics and targets
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				4. Own workforce 4.c Metrics and targets
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		4. Own workforce 4.c Metrics and targets
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Non-material information
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Non-material information
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Non-material information

Disclosure requirement and related datapoint	SFDR[1] reference	Pillar 3 reference[2]	Benchmark Regulation reference[3]	EU Climate Law referenceLaw (26) reference[4]	Reference in the sustainability statements
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material information
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Non-material information
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Non-material information
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Non-material information
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material information
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Non-material information
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				5. Consumers and end-users 5.b Impact, risk and opportunity management
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		5. Consumers and end-users 5.b Impact, risk and opportunity management
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				1. General disclosures
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				6. Business conduct 6.b Impact, risk and opportunity management
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				6. Business conduct 6.b Impact, risk and opportunity management
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		6. Business conduct 6.c Metrics and targets
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				6. Business conduct 6.c Metrics and targets

8.b Climate change

8.b.1 BNP Paribas Group credit exposure to low carbon and fossil energie



The figure above illustrates the continued shift of the BNP Paribas Group's credit portfolio towards low-carbon energies, with a significant acceleration between September 2022 and September 2024 (+36% on renewable and -51% in fossil energies).

In terms of energy definitions, BNP Paribas Group makes the following distinction:

- Renewable energy: wind and marine energy, photovoltaic solar energy, concentrated solar energy, hydroelectricity, geothermal energy, bioenergy (including biofuels except for first generation);
- Low-carbon energy: electricity from renewable and nuclear sources. The scope of low-carbon energies could evolve depending on technological advancements to gradually go beyond energy production and include other subparts in the value chain such as transport, storage or distribution of low-carbon energy.

8.b.2 Technical glossary relating to GHG measurement

Term	Rationale
CH_4	Methane is of particular concern because of its global warming potential, which is approximately 25 times higher than that of carbon dioxide (CO_2) over a 100-year period. This means that even small amounts of methane in the atmosphere can have a significant impact on climate change.
CO_2	Carbon dioxide is of particular concern because of its role in global warming. It traps heat in the atmosphere, contributing to the greenhouse effect. CO_2 emissions are often measured in tonnes of CO_2 equivalent to assess their impact on the climate.
Fluorinated gases	GHGs that include several types of chemical compounds. They are often used in various industrial and commercial applications, such as refrigeration systems, air conditioners, aerosols, and insulation foams. The main fluorinated gases are hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF_6) and hydrofluorolefins (HFO). These gases are known for their high global warming potential, which means they can trap heat in the atmosphere much more effectively than carbon dioxide (CO_2).
N_2O	Nitrous oxide is of particular concern because of its global warming potential, which is approximately 298 times higher than that of carbon dioxide (CO_2) over a 100-year period. This means that even small amounts of N_2O in the atmosphere can have a significant impact on climate change.

8.b.3 Disclosure requirements under European Taxonomy

TABLE No. 51: SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 OF EUROPEAN TAXONOMY REGULATION

		31 December 2024						
in millions of euros		Total environmentally sustainable assets (turnover)	"Total environmentally sustainable assets (CapEx)"	"KPI (turnover)"	"KPI (CapEx)"	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	9,780	9,995	3.05%	3.11%	39.23%	44.64%	16.13%

		31 December 2024			
in millions of euros		Total environmentally sustainable assets (turnover)	"Total environmentally sustainable assets (CapEx)"	"KPI (turnover)"	"KPI (CapEx)"
Main KPI	GAR (flow)	9,220	9,064	-20.20%	-19.87%
	Financial guarantees	262	362	1.97%	2.72%
	Assets under management	470	516	3.69%	4.05%

TABLE No. 52: ASSETS FOR THE CALCULATION OF GAR (STOCKS ; ELIGIBILITY AND ALIGNEMENT MEASURED ON A TURNOVER BASIS)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		31 December 2024																	
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
	in millions of euros	Total [gross] carrying amount			of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling
	GAR - Covered assets in both numerator and denominator	150,179	86,765	9,774		23	236	209	6			40				136			
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**150,178**	**86,765**	**9,774**		**23**	**236**	**209**	**6**			**40**				**136**			
2	**Financial undertakings**	**9,547**	**1,009**	**37**		**0**	**26**	**2**	**0**			**0**				**2**			
3	**Credit institutions**	**7,385**	**777**	**0**		**0**	**0**	**0**	**0**			**0**				**0**			
4	Loans and advances	2,660	17	0		0	0	0	0			0				0			
5	Debt securities	2,853	757	0		0	0	0	0			0				0			
6	Equity instruments	1,872	3	0		0	0	0	0			0				0			
7	**Other financial corporations**	**2,162**	**232**	**37**		**0**	**26**	**2**	**0**			**0**				**2**			
8	**of which investment firms**	**559**	**187**	**31**		**0**	**23**	**2**	**0**			**0**				**1**			
9	Loans and advances	552	185	31		0	23	2	0			0				1			
10	Debt securities	5	2	0		0	0	0	0			0				0			
11	Equity instruments	1	0	0		0	0	0	0			0				0			
12	**of which management companies**	**532**	**19**	**3**		**0**	**2**	**0**	**0**			**0**				**1**			
13	Loans and advances	100	12	3		0	2	0	0			0				1			
14	Debt securities	0	0	0		0	0	0	0			0				0			
15	Equity instruments	432	8	0		0	0	0	0			0				0			
16	**of which insurance undertakings**	**1,071**	**25**	**3**		**0**	**0**	**0**	**0**			**0**				**0**			
17	Loans and advances	59	6	0		0	0	0	0			0				0			
18	Debt securities	140	15	3		0	0	0	0			0				0			
19	Equity instruments	871	4	0		0	0	0	0			0				0			
20	**Non-financial undertakings**	**42,594**	**4,108**	**542**		**23**	**211**	**207**	**6**			**40**				**134**			
21	Loans and advances	42,156	4,105	542		23	211	207	6			40				134			
22	Debt securities	11	1	0		0	0	0	0			0				0			
23	Equity instruments	426	2	0		0	0	0	0			0				0			
24	**Households**	**92,819**	**81,640**	**9,195**		**0**	**0**	**0**	**0**			**0**				**0**			
25	of which loans collateralised by residential immovable property	77,219	77,219	9,195		0													
26	of which building renovation loans	851	851	0															
27	of which motor vehicle loans	3,570	3,570	0															
28	**Local governments financing**	**5,217**	**7**	**0**		**0**	**0**									**0**			
29	Housing financing																		
30	Other local government financing	5,217	7	0		0	0									0			

	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		31 December 2024																	
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1**																	
32	ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)	170,906																	
33	**Financial and Non-financial undertakings**	**70,294**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	44,918																	
35	Loans and advances	44,849																	
36	of which loans collateralised by commercial immovable property	19,964																	
37	of which building renovation loans																		
38	Debt securities	5																	
39	Equity instruments	63																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	25,376																	
41	Loans and advances	25,333																	
42	Debt securities	8																	
43	Equity instruments	35																	
44	Derivatives	4,414																	
45	On demand interbank loans	3,048																	
46	Cash and cash-related assets	632																	
47	Other categories of assets (e.g. Goodwill, commodities etc.)	92,519																	
48	TOTAL GAR ASSETS	321,085	86,765	9,774	0	23	236	209	6			40				136			
49	ASSETS NOT COVERED FOR GAR CALCULATION	61,751																	
50	Central governments and Supranational issuers	26,289																	
51	Central banks exposures	25,906																	
52	Assets Held for Trading	9,556																	
53	TOTAL ASSETS	382,837																	
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	5,073	568	257	0	38	116	125	5			11				86			
55	Assets under management	10,523	886	350	0	16	185	78	4			1				62			
56	of which debt securities	2,159	649	154	0	7	107	60	3			0				12			
57	of which equity instruments	751	79	75	0	3	21	18	0			1				51			

		s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31 December 2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
in millions of euros				of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which transitional	of which enabling
GAR - Covered assets in both numerator and denominator		93				7				87,261	9,780		23	236
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**93**				**7**				**87,261**	**9,780**		**23**	**236**
2	**Financial undertakings**	**23**				**6**				**1,060**	**37**		**0**	**26**
3	**Credit institutions**	**0**				**0**				**777**	**0**		**0**	**0**
4	Loans and advances	0				0				17	0		0	0
5	Debt securities	0				0				757	0		0	0
6	Equity instruments	0				0				3	0		0	0
7	**Other financial corporations**	**23**				**6**				**284**	**37**		**0**	**26**
8	**of which investment firms**	**23**				**6**				**237**	**31**		**0**	**23**
9	Loans and advances	23				6				235	31		0	23
10	Debt securities	0				0				2	0		0	0
11	Equity instruments	0				0				0	0		0	0
12	**of which management companies**	**0**				**0**				**21**	**3**		**0**	**2**
13	Loans and advances	0				0				13	3		0	2
14	Debt securities	0				0				0	0		0	0
15	Equity instruments	0				0				8	0		0	0
16	**of which insurance undertakings**	**0**				**0**				**25**	**3**		**0**	**0**
17	Loans and advances	0				0				6	0		0	0
18	Debt securities	0				0				15	3		0	0
19	Equity instruments	0				0				4	0		0	0
20	**Non-financial undertakings**	**70**				**1**				**4,554**	**548**		**23**	**211**
21	Loans and advances	70				1				**4,550**	**548**		**23**	**211**
22	Debt securities	0				**0**				**1**	**0**		**0**	**0**
23	Equity instruments	0				**0**				**2**	**0**		**0**	**0**
24	**Households**	**0**				**0**				**81,640**	**9,195**		**0**	**0**
25	of which loans collateralised by residential immovable property									**77,219**	**9,195**		**0**	**0**
26	of which building renovation loans									**851**	**0**		**0**	**0**
27	of which motor vehicle loans									**3,570**	**0**		**0**	**0**
28	**Local governments financing**	**0**				**0**				**7**	**0**		**0**	**0**
29	Housing financing													
30	Other local government financing	0				**0**				**7**	**0**		**0**	**0**
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													

	in millions of euros	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31 December 2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which transitional	of which enabling
32	ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)													
33	**Financial and Non-financial undertakings**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations													
35	Loans and advances													
36	of which loans collateralised by commercial immovable property													
37	of which building renovation loans													
38	Debt securities													
39	Equity instruments													
40	Non-EU country counterparties not subject to NFRD disclosure obligations													
41	Loans and advances													
42	Debt securities													
43	Equity instruments													
44	Derivatives													
45	On demand interbank loans													
46	Cash and cash-related assets													
47	Other categories of assets (e.g. Goodwill, commodities etc.)													
48	TOTAL GAR ASSETS	93				7				87,261	9,780		23	236
49	ASSETS NOT COVERED FOR GAR CALCULATION													
50	Central governments and Supranational issuers													
51	Central banks exposures													
52	Assets Held for Trading													
53	TOTAL ASSETS													
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations													
54	Financial guarantees	6				**12**				696	262		38	116
55	Assets under management	34				**59**				1,236	470		16	185
56	of which debt securities	17				**20**				757	157		7	107
57	of which equity instruments	17				**39**				205	39		3	21

TABLE No. 53: GAR: SECTOR INFORMATION (STOCKS ; ELIGIBILITY AND ALIGNEMENT MEASURED ON A TURNOVER BASIS)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		31 December 2024															
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector *in millions of euros*	Mn EUR	Of which environ-mentally sustainable (CCM)	Mn EUR	Of which environ-mentally sustainable (CCM)	Mn EUR	Of which environ-mentally sustainable (CCA)	Mn EUR	Of which environ-mentally sustainable (CCA)	Mn EUR	Of which environ-mentally sustainable (WTR)	Mn EUR	Of which environ-mentally sustainable (WTR)	Mn EUR	Of which environ-mentally sustainable (CE)	Mn EUR	Of which environ-mentally sustainable (CE)
1	A - Agriculture, forestry and fishing	2	0			0	0			**0**				**0**			
2	B - Mining and quarrying	6	1			0	0			**0**				**0**			
3	*B.05 - Mining of coal and lignite*	-	-			-	-			**-**				**-**			
4	*B.06 - Extraction of crude petroleum and natural gas*	6	1			-	-			-				0			
5	*B.07 - Mining of metal ores*	0	-			-	-			-				-			
6	*B.08 - Other mining and quarrying*	1	0			0	0			0				0			
7	*B.09 - Mining support service activities*	0	0			-	-			**-**				**-**			
8	C - Manufacturing	1,288	32			52	0			**0**				**13**			
9	*C.10 - Manufacture of food products*	165	0			0	0			-				0			
10	*C.11 - Manufacture of beverages*	10	-			0	-			-				-			
11	*C.12 - Manufacture of tobacco products*	-	-			-	-			-				-			
12	*C.13 - Manufacture of textiles*	1	0			-	0			**-**				**0**			
13	*C.14 - Manufacture of wearing apparel*	0	-			-	-			-				-			
14	*C.15 - Manufacture of leather and related products*	0	-			-	-			-				-			
15	*C.16 - Manufacture of wood and of products of wood and cork*	1	0			0	-			0				0			
16	*C.17 - Manufacture of paper and paper products*	49	0			-	-			**-**				**0**			
17	*C.18 - Printing and reproduction of recorded media*	1	0			0	0			0				0			
18	*C.19 - Manufacture of coke and refined petroleum products*	0	0			-	-			-				-			
19	*C.20 - Manufacture of chemicals and chemical products*	125	0			38	0			-				0			
20	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	685	0			-	-			**-**				**0**			
21	*C.22 - Manufacture of rubber products*	5	0			0	0			**0**				**0**			
22	*C.23 - Manufacture of other non-metallic mineral products*	13	3			0	0			**-**				**0**			
23	*C.24 - Manufacture of basic metals*	6	1			2	-			**-**				**0**			
24	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	34	12			0	0			**0**				**0**			
25	*C.26 - Manufacture of computer, electronic and optical products*	59	0			0	-			**0**				**0**			
26	*C.27 - Manufacture of electrical equipment*	4	1			0	0			**0**				**0**			
27	*C.28 - Manufacture of machinery and equipment n.e.c.*	17	2			0	0			**0**				**10**			
28	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	101	11			11	0			**0**				**2**			
29	*C.30 - Manufacture of other transport equipment*	5	1			0	-			**0**				**0**			
30	*C.31 - Manufacture of furniture*	1	0			-	-			**-**				**0**			

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	31 December 2024															
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector *in millions of euros*	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
31 *C.32 - Other manufacturing*	1	0			0	-			-				0			
32 *C.33 - Repair and installation of machinery and equipment*	3	0			0	0			0				0			
33 D - Electricity, gas, steam and air conditioning supply	443	81			117	0			0				0			
34 *D35.1 - Electric power generation, transmission and distribution*	438	77			117	0			0				0			
35 *D35.11 - Production of electricity*	244	7			46	0			0				0			
36 *D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	4	4			0	0			0				0			
37 *D35.3 - Steam and air conditioning supply*	0	0			0	0			0				0			
38 E - Water supply; sewerage, waste management and remediation activities	184	21			1	1			31				8			
39 F - Construction	439	128			1	0			1				5			
40 *F.41 - Construction of buildings*	312	119			0	0			0				3			
41 *F.42 - Civil engineering*	104	5			0	0			0				2			
42 *F.43 - Specialised construction activities*	23	4			0	0			0				0			
43 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	138	5			4	0			0				13			
44 H - Transportation and storage	386	75			13	1			8				73			
45 *H.49 - Land transport and transport via pipelines*	61	28			0	-0			2				1			
46 *H.50 - Water transport*	22	5			-	-			-				-			
47 *H.51 - Air transport*	3				-											
48 *H.52 - Warehousing and support activities for transportation*	297	40			12	0			5				72			
49 *H.53 - Postal and courier activities*	3	1			0	-			-				0			
50 I - Accommodation and food service activities	3	0			0	0			0				0			
51 L - Real estate activities	398	119			0	0			0				0			
52 K - Financial and insurance activities	83	0			0	0			0				-			
53 Exposures to other sectors (NACE codes J, M - U)	738	78			19	5			1				22			

		q	r	s	t	u	v	w	x	y	z	aa	ab
		31 December 2024											
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector *in millions of euros*	Mn EUR	Of which environ-mentally sustainable (PPC)	Mn EUR	Of which environ-mentally sustainable (PPC)	Mn EUR	Of which environ-mentally sustainable (BIO)	Mn EUR	Of which environ-mentally sustainable (BIO)	Mn EUR	Of which environ-mentally sustain-able (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environ-mentally sustain-able (CCM + CCA + WTR + CE + PPC + BIO)
1	A - Agriculture, forestry and fishing	-				0				2	0		
2	B - Mining and quarrying	0				-				6	1		
3	*B.05 - Mining of coal and lignite*	-				-				0	0		
4	*B.06 - Extraction of crude petroleum and natural gas*	-				-				6	1		
5	*B.07 - Mining of metal ores*	-				-				0	0		
6	*B.08 - Other mining and quarrying*	0				-				1	0		
7	*B.09 - Mining support service activities*	-				-				0	0		
8	C - Manufacturing	64				0				1,370	33		
9	*C.10 - Manufacture of food products*	0				0				166	0		
10	*C.11 - Manufacture of beverages*	-				0				10	0		
11	*C.12 - Manufacture of tobacco products*	-				-				0	0		
12	*C.13 - Manufacture of textiles*	-				-				1	0		
13	*C.14 - Manufacture of wearing apparel*	-				-				0	0		
14	*C.15 - Manufacture of leather and related products*	-				-				0	0		
15	*C.16 - Manufacture of wood and of products of wood and cork*	0				-				1	0		
16	*C.17 - Manufacture of paper and paper products*	-				-				49	0		
17	*C.18 - Printing and reproduction of recorded media*	0				-				1	0		
18	*C.19 - Manufacture of coke and refined petroleum products*	-				-				0	0		
19	*C.20 - Manufacture of chemicals and chemical products*	0				-				126	0		
20	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	64				0				749	0		
21	*C.22 - Manufacture of rubber products*	0				-				6	0		
22	*C.23 - Manufacture of other non-metallic mineral products*	-				-				14	3		
23	*C.24 - Manufacture of basic metals*	-				0				6	1		
24	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	-				0				35	12		
25	*C.26 - Manufacture of computer, electronic and optical products*	0				0				59	0		
26	*C.27 - Manufacture of electrical equipment*	-				-				5	1		
27	*C.28 - Manufacture of machinery and equipment n.e.c.*	0				-				28	2		
28	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	-				-				104	11		
29	*C.30 - Manufacture of other transport equipment*	0				0				5	1		
30	*C.31 - Manufacture of furniture*	-				-				1	0		
31	*C.32 - Other manufacturing*	0				-				1	0		
32	*C.33 - Repair and installation of machinery and equipment*	0				-				3	0		
33	D - Electricity, gas, steam and air conditioning supply	0				-				534	81		

		q	r	s	t	u	v	w	x	y	z	aa	ab
		31 December 2024											
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector *in millions of euros*		Mn EUR	Of which environ-mentally sustainable (PPC)	Mn EUR	Of which environ-mentally sustainable (PPC)	Mn EUR	Of which environ-mentally sustainable (BIO)	Mn EUR	Of which environ-mentally sustainable (BIO)	Mn EUR	Of which environ-mentally sustain-able (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environ-mentally sustain-able (CCM + CCA + WTR + CE + PPC + BIO)
34	*D35.1 - Electric power generation, transmission and distribution*	0				-				529	77		
35	*D35.11 - Production of electricity*	0				-				335	7		
36	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	0				-				4	4		
37	*D35.3 - Steam and air conditioning supply*	0				-				0	0		
38	E - Water supply; sewerage, waste management and remediation activities	5				1				222	22		
39	F - Construction	0				-				445	128		
40	*F.41 - Construction of buildings*	0				-				316	119		
41	*F.42 - Civil engineering*	0				-				106	5		
42	*F.43 - Specialised construction activities*	0				-				24	4		
43	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0				0				165	5		
44	H - Transportation and storage	1				-				463	76		
45	*H.49 - Land transport and transport via pipelines*	1				-				62	28		
46	*H.50 - Water transport*	-				-				56	5		
47	*H.51 - Air transport*					-				3	0		
48	*H.52 - Warehousing and support activities for transportation*	0				-				339	40		
49	*H.53 - Postal and courier activities*	0				-				3	1		
50	I - Accommodation and food service activities	0				0				3	0		
51	L - Real estate activities	0				0				431	119		
52	K - Financial and insurance activities	0				0				142	0		
53	Exposures to other sectors (NACE codes J, M - U)	1				0				770	83		

TABLE No. 54: GAR STOCK KPI (MEASURE BASED ON TURNOVER)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31 december 2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	57.77%	6.51%	0.00%	0.02%	0.16%	0.14%	0.00%	0.00%	0.00%	0.03%				0.09%			
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**10.57%**	**0.39%**	**0.00%**	**0.00%**	**0.27%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.02%**			
2	**Financial undertakings**	**10.52%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**							
3	**Credit institutions**	**0.63%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**							
4	Loans and advances	26.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
5	Debt securities	0.18%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
6	Equity instruments	10.72%	1.71%	0.00%	0.00%	1.20%	0.08%	0.00%	0.00%	0.00%	0.01%				0.09%			
7	**Other financial corporations**	**33.50%**	**5.55%**	**0.00%**	**0.01%**	**4.19%**	**0.30%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.12%**			
8	**of which investment firms**	**33.50%**	**5.61%**	**0.00%**	**0.01%**	**4.24%**	**0.30%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.12%**			
9	Loans and advances	36.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
10	Debt securities	23.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
11	Equity instruments	3.64%	0.57%	0.00%	0.01%	0.45%	0.00%	0.00%	0.00%	0.00%	0.04%				0.25%			
12	**of which management companies**	**11.68%**	**3.05%**	**0.00%**	**0.03%**	**2.39%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.21%**				**1.34%**			
13	Loans and advances																	
14	Debt securities	1.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
15	Equity instruments	2.35%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
16	**of which insurance undertakings**	**10.67%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.00%**			
17	Loans and advances	10.40%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
18	Debt securities	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
19	Equity instruments	9.65%	1.27%	0.00%	0.05%	0.49%	0.49%	0.01%	0.00%	0.00%	0.09%				0.32%			
20	**Non-financial undertakings**	**9.74%**	**1.29%**	**0.00%**	**0.05%**	**0.50%**	**0.49%**	**0.01%**	**0.00%**	**0.00%**	**0.10%**				**0.32%**			
21	Loans and advances	12.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
22	Debt securities	0.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
23	Equity instruments	87.96%	9.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
24	**Households**	**100.00%**	**11.91%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**			
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
26	of which building renovation loans	100.00%				0.00%	0.00%								0.00%			
27	of which motor vehicle loans	0.14%					0.00%	0.00%	0.00%	0.00%					0.00%			
28	**Local governments financing**						0.00%	0.00%	0.00%	0.00%								
29	Housing financing	0.14%					0.00%	0.00%	0.00%	0.00%					0.00%			
30	Other local government financing																	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**27.02%**	**3.04%**	**0.00%**	**0.01%**	**0.07%**	**0.07%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**
32	TOTAL GAR ASSETS	27,02%	3,04%	0,00%	0,01%	0,07%	0,07%	0,00%	0,00%	0,00%	0,01%	0,00%	0,00%	0,00%	0,04%	0,00%	0,00%	0,00%

	r	s	t	u	v	w	x	y	z	aa	ab	ac	ab	ad
	31 December 2024													
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator	0.06%				0.00%				58.11%	6.51%	0.00%	0.02%	0.16%	39.23%
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.24%				0.06%				11.11%	0.39%	0.00%	0.00%	0.27%	2.49%
2 Financial undertakings	0.00%				0.00%				10.52%	0.00%	0.00%	0.00%	0.00%	1.93%
3 Credit institutions	0.00%				0.00%				0.63%	0.00%	0.00%	0.00%	0.00%	0.69%
4 Loans and advances	0.00%				0.00%				26.52%	0.00%	0.00%	0.00%	0.00%	0.75%
5 Debt securities	0.00%				0.00%				0.18%	0.00%		0.00%	0.00%	0.49%
6 Equity instruments	1.05%				0.28%				13.11%	1.71%	0.00%	0.00%	1.20%	0.56%
7 Other financial corporations	4.05%				1.07%				42.47%	5.55%	0.00%	0.01%	4.19%	0.15%
8 of which investment firms	4.10%				1.08%				42.57%	5.61%	0.00%	0.01%	4.24%	0.14%
9 Loans and advances	0.00%				0.00%				36.10%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities	0.00%				0.00%				23.27%	0.00%		0.00%	0.00%	0.00%
11 Equity instruments	0.00%				0.00%				3.94%	0.57%	0.00%	0.01%	0.45%	0.14%
12 of which management companies	0.00%				0.00%				13.23%	3.05%	0.00%	0.03%	2.39%	0.03%
13 Loans and advances														
14 Debt securities	0.00%				0.00%				1.78%	0.00%		0.00%	0.00%	0.11%
15 Equity instruments	0.00%				0.00%				2.35%	0.26%	0.00%	0.00%	0.00%	0.28%
16 of which insurance undertakings	0.00%				0.00%				10.67%	0.02%	0.00%	0.00%	0.00%	0.02%
17 Loans and advances	0.00%				0.00%				10.40%	2.00%	0.00%	0.00%	0.00%	0.04%
18 Debt securities	0.00%				0.00%				0.49%	0.00%		0.00%	0.00%	0.23%
19 Equity instruments	0.16%				0.00%				10.69%	1.29%	0.00%	0.05%	0.49%	11.13%
20 Non-financial undertakings	0.17%				0.00%				10.79%	1.30%	0.00%	0.05%	0.50%	11.01%
21 Loans and advances	0.00%				0.00%				12.66%	0.00%	0.00%	0.00%	0.00%	0.00%
22 Debt securities	0.00%				0.00%				0.52%	0.00%		0.00%	0.00%	0.11%
23 Equity instruments					0.00%				87.96%	9.91%	0.00%	0.00%	0.00%	24.25%
24 Households					0.00%				100.00%	11.91%	0.00%	0.00%	0.00%	20.17%
25 of which loans collateralised by residential immovable property					0.00%				100.00%	0.00%	0.00%	0.00%	0.00%	0.22%
26 of which building renovation loans									100.00%	0.00%	0.00%	0.00%	0.00%	0.93%
27 of which motor vehicle loans									0.14%				0.00%	1.36%
28 Local governments financing														0.00%
29 Housing financing									0.14%				0.00%	1.36%
30 Other local government financing														
31 Collateral obtained by taking possession: residential and commercial immovable properties	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.18%	3.05%	0.00%	0.01%	0.07%	39.23%
32 TOTAL GAR ASSETS	0,03%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	27,18%	3,05%	0,00%	0,01%	0,07%	39,23%

TABLE No. 55: GAR KPI FLOW (BASED ON TURNOVER)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31 December 2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator																		
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	-6.76%	-20.20%		1.17%	-0.14%	-0.35%	-0.01%			-0.09%				-0.30%			
2	**Financial undertakings**	-28.84%	-0.67%		2.93%	-1.47%	-0.12%	0.00%			-0.01%				-0.14%			
3	**Credit institutions**	8.24%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
4	Loans and advances	0.52%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
5	Debt securities, including UoP	86.94%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
6	Equity instruments	0.18%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
7	**Other financial corporations**	-0.08%	-0.15%		0.66%	-0.33%	-0.03%	0.00%			0.00%				-0.03%			
8	**of which investment firms**	1.36%	0.17%		0.83%	-0.42%	-0.04%	0.00%			0.00%				-0.01%			
9	Loans and advances	1.40%	0.18%		0.87%	-0.45%	-0.04%	0.00%			0.00%				-0.01%			
10	Debt securities, including UoP	18.87%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
11	Equity instruments	-0.13%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
12	**of which management companies**	0.35%	-0.04%		0.11%	-0.04%	0.00%	0.00%			-0.01%				-0.07%			
13	Loans and advances	0.19%	-0.43%		0.11%	-0.04%	0.00%	0.00%			-0.01%				-0.06%			
14	Debt securities, including UoP	-2.76%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
15	Equity instruments	2.11%	2.91%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
16	**of which insurance undertakings**	17.47%	3.91%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
17	Loans and advances	-1.05%	-0.01%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
18	Debt securities, including UoP	-6.39%	-2.73%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
19	Equity instruments	9.16%	1.93%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
20	**Non-financial undertakings**	-1.62%	-0.05%		1.01%	-0.09%	-0.33%	-0.01%			-0.08%				-0.28%			
21	Loans and advances	-1.73%	-0.05%		1.01%	-0.08%	-0.33%	-0.01%			-0.08%				-0.28%			
22	Debt securities, including UoP	61.32%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
23	Equity instruments	-0.46%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
24	**Households**	40.93%	198.95%		0.00%	0.00%	0.00%	0.00%							0.00%			
25	of which loans collateralised by residential immovable property	100.00%	931.95%		0.00%	0.00%	0.00%	0.00%							0.00%			
26	of which building renovation loans	100.00%	0.00%		0.00%	0.00%	0.00%	0.00%							0.00%			
27	of which motor vehicle loans	100.00%	0.00%		0.00%	0.00%									0.00%			
28	**Local governments financing**	-1.93%													0.00%			
29	Housing financing																	
30	Other local government financing	-1.93%													0.00%			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																	
32	TOTAL GAR ASSETS	-6.76%	-20.20%		1.17%	-0.14%	-0.35%	-0.01%			-0.09%				-0.30%			

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ab	ad
		31 December 2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to flow of total eligible assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	-0.20%				-0.01%				-7.75%	-20.20%		1.17%	-0.14%	-86.26%
2	**Financial undertakings**	-1.60%				-0.42%				-32.49%	-0.67%		2.93%	-1.47%	-2.67%
3	**Credit institutions**	0.00%				0.00%				8.24%	0.00%		0.00%	0.00%	9.24%
4	Loans and advances	0.00%				0.00%				0.52%	0.00%		0.00%	0.00%	4.89%
5	Debt securities, including UoP	0.00%				0.00%				86.94%	0.00%		0.00%	0.00%	0.84%
6	Equity instruments	0.00%				0.00%				0.18%	0.00%		0.00%	0.00%	3.51%
7	**Other financial corporations**	-0.36%				-0.09%				-0.90%	-0.15%		0.66%	-0.33%	-11.92%
8	**of which investment firms**	-0.48%				-0.13%				0.29%	0.17%		0.83%	-0.42%	-8.89%
9	Loans and advances	-0.51%				-0.13%				0.28%	0.18%		0.87%	-0.45%	-8.45%
10	Debt securities, including UoP	0.00%				0.00%				18.87%	0.00%		0.00%	0.00%	-0.01%
11	Equity instruments	0.00%				0.00%				-0.13%	0.00%		0.00%	0.00%	-0.43%
12	**of which management companies**	0.00%				0.00%				0.27%	-0.04%		0.11%	-0.04%	-3.85%
13	Loans and advances	0.00%				0.00%				0.08%	-0.03%		0.11%	-0.04%	-4.13%
14	Debt securities, including UoP	0.00%				0.00%				9.96%	0.00%		0.00%	0.00%	-0.22%
15	Equity instruments	0.00%				0.00%				2.91%	0.00%		0.00%	0.00%	0.50%
16	**of which insurance undertakings**	0.00%				0.00%				17.47%	3.91%		0.00%	0.00%	0.82%
17	Loans and advances	0.00%				0.00%				-1.05%	-0.01%		0.00%	0.00%	-0.37%
18	Debt securities, including UoP	0.00%				0.00%				-6.39%	-2.73%		0.00%	0.00%	-0.19%
19	Equity instruments	0.00%				0.00%				9.16%	1.93%		0.00%	0.00%	1.39%
20	**Non-financial undertakings**	-0.14%				0.00%				-2.43%	-0.06%		1.01%	-0.09%	-91.81%
21	Loans and advances	-0.14%				0.00%				-2.55%	-0.06%		1.01%	-0.08%	-92.06%
22	Debt securities, including UoP	0.00%				0.00%				61.32%	0.00%		0.00%	0.00%	-0.18%
23	Equity instruments	0.00%				0.00%				-0.46%	0.00%		0.00%	0.00%	0.43%
24	**Households**									40.93%	198.95%		0.00%	0.00%	8.72%
25	of which loans collateralised by residential immovable property									100.00%	931.95%		0.00%	0.00%	1.86%
26	of which building renovation loans									100.00%	0.00%		0.00%	0.00%	0.38%
27	of which motor vehicle loans									100.00%	0.00%		0.00%	0.00%	1.32%
28	**Local governments financing**									-1.93%	0.00%		0.00%	0.00%	-0.50%
29	Housing financing														
30	Other local government financing									-1.93%	0.00%		0.00%	0.00%	-0.50%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														0.00%
32	TOTAL GAR ASSETS	-0.20%				-0.01%				-7.75%	-20.20%	0.00%	1.17%	-0.14%	-86.26%

TABLE No. 56: KPI OFF-BALANCE SHEET EXPOSURES (STOCKS, MEASURE BASED ON TURNOVER)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	31 December 2024																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	4.26%	1.93%	0.00%	0.29%	0.87%	0.94%	0.03%	0.00%	0.00%	0.08%	0.00%	0.00%	0.00%	0.65%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	6.95%	2.75%	0.00%	0.13%	1.45%	0.61%	0.03%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.49%	0.00%	0.00%	0.00%

	r	s	t	u	v	w	x	y	z	aa	ab	ac	ab
	31 December 2024												
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.05%	0.00%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	5.23%	1.97%	0.00%	0.29%	0.87%
2 Assets under management (AuM KPI)	0.27%	0.00%	0.00%	0.00%	0.46%	0.00%	0.00%	0.00%	9.70%	3.69%	0.00%	0.13%	1.45%

TABLE No. 57: KPI OFF-BALANCE SHEET EXPOSURES (FLOWS, MEASURE BASED ON TURNOVER)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	31 December 2024																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	1.37%	-1.25%		4.36%	-0.83%	-3.06%	-0.08%			-0.27%				-2.18%			
2 Assets under management (AuM KPI)	12.63%	12.50%	0.00%	0.52%	5.88%	2.68%	0.01%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	2.99%	0.00%	0.00%	0.00%

	r	s	t	u	v	w	x	y	z	aa	ab	ac	ab
	31 December 2024												
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1 Financial guarantees (FinGuar KPI)	-0.16%				-0.30%				-1.77%	-1.33%		4.36%	-0.83%
2 Assets under management (AuM KPI)	1.63%	0.00%	0.00%	0.00%	2.83%	0.00%	0.00%	0.00%	28.41%	18.09%	0.00%	0.52%	5.88%

TABLE No. 58: ASSETS FOR THE CALCULATION OF GAR (STOCKS ; ELIGIBILITY AND ALIGNEMENT MEASURED ON A CAPEX BASIS)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		31 December 2024																	
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
	in millions of euros	Total [gross] carrying amount			of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling
	GAR - Covered assets in both numerator and denominator	150,179	86,835	9,983		34	292	257	12			25				102			
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**150,178**	**86,835**	**9,983**		**34**	**292**	**257**	**12**			**25**				**102**			
2	**Financial undertakings**	**9,547**	**1,082**	**42**		**4**	**26**	**2**	**0**			**0**				**2**			
3	**Credit institutions**	**7,385**	**777**	**0**		**0**	**0**	**0**	**0**			**0**				**0**			
4	Loans and advances	2,660	17	0		0	0	0	0			0				0			
5	Debt securities	2,853	757	0		0	0	0	0			0				0			
6	Equity instruments	1,872	3	0		0	0	0	0			0				0			
7	**Other financial corporations**	**2,162**	**305**	**42**		**4**	**26**	**2**	**0**			**0**				**2**			
8	**of which investment firms**	**559**	**265**	**37**		**4**	**25**	**2**	**0**			**0**				**1**			
9	Loans and advances	552	263	37		4	25	2	0			0				1			
10	Debt securities	5	2	0		0	0	0	0			0				0			
11	Equity instruments	1	0	0		0	0	0	0			0				0			
12	**of which management companies**	**532**	**21**	**1**		**0**	**1**	**0**	**0**			**0**				**1**			
13	Loans and advances	100	14	1		0	1	0	0			0				1			
14	Debt securities	0	0	0		0	0	0	0			0				0			
15	Equity instruments	432	8	0		0	0	0	0			0				0			
16	**of which insurance undertakings**	**1,071**	**18**	**4**		**0**	**0**	**0**	**0**			**0**				**0**			
17	Loans and advances	59	3	0		0	0	0	0			0				0			
18	Debt securities	140	15	4		0	0	0	0			0				0			
19	Equity instruments	871	0	0		0	0	0	0			0				0			
20	**Non-financial undertakings**	**42,594**	**4,106**	**745**		**30**	**266**	**255**	**12**			**25**				**100**			
21	Loans and advances	42,156	4,101	745		30	266	255	12			25				100			
22	Debt securities	11	1	0		0	0	0	0			0				0			
23	Equity instruments	426	4	0		0	0	0	0			0				0			
24	**Households**	**92,819**	**81,640**	**9,195**		**0**	**0**	**0**	**0**			**0**				**0**			
25	of which loans collateralised by residential immovable property	77,219	77,219	9,195		0	0												
26	of which building renovation loans	851	851																
27	of which motor vehicle loans	3,570	3,570																
28	**Local governments financing**	**5,217**	**7**	**0**		**0**	**0**	**0**				**0**				**0**			
29	Housing financing	0																	
30	Other local government financing	5,217	7	0		0	0	0				0				0			

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
		31 December 2024																	
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
	in millions of euros	Total [gross] carrying amount			of which Use of Proceeds	of which transitional	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1**																	
32	ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)	170,906																	
33	**Financial and Non-financial undertakings**	**70,294**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	44,918																	
35	Loans and advances	44,849																	
36	of which loans collateralised by commercial immovable property	19,964																	
37	of which building renovation loans	0																	
38	Debt securities	5																	
39	Equity instruments	63																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	25,376																	
41	Loans and advances	25,333																	
42	Debt securities	8																	
43	Equity instruments	35																	
44	Derivatives	4,414																	
45	On demand interbank loans	3,048																	
46	Cash and cash-related assets	632																	
47	Other categories of assets (e.g. Goodwill, commodities etc.)	92,519																	
48	TOTAL GAR ASSETS	321,085	86,835	9,983		34	292	257	12			25				102			
49	ASSETS NOT COVERED FOR GAR CALCULATION	61,751																	
50	Central governments and Supranational issuers	26,289																	
51	Central banks exposures	25,906																	
52	Trading book	9,556																	
53	TOTAL ASSETS	382,837																	
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	5,073	881	355		50	118	129	7			14				40			
55	Assets under management	10,523	1,065	484		34	289	158	13			2				0			
56	of which debt securities	2,159	902	416		30	262	127	12			0				0			
57	of which equity instruments	751	163	68		4	27	31	1			2				0			

		s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31 December 2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
in millions of euros				of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which transitional	of which enabling
GAR - Covered assets in both numerator and denominator		22				0				87,302	9,995		34	292
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**22**				**0**				**87,302**	**9,995**		**34**	**292**
2	**Financial undertakings**	**3**				**0**				**1,117**	**43**		**4**	**26**
3	**Credit institutions**	**0**				**0**				**777**	**0**		**0**	**0**
4	Loans and advances	0				0				17	0		0	0
5	Debt securities	0				0				757	0		0	0
6	Equity instruments	0				0				3	0		0	0
7	**Other financial corporations**	**3**				**0**				**340**	**43**		**4**	**26**
8	**of which investment firms**	**3**				**0**				**299**	**37**		**4**	**25**
9	Loans and advances	3				0				297	37		4	25
10	Debt securities	0				0				2	0		0	0
11	Equity instruments	0				0				0	0		0	0
12	**of which management companies**	**0**				**0**				**23**	**1**		**0**	**1**
13	Loans and advances	0				0				15	1		0	1
14	Debt securities	0				0				0	0		0	0
15	Equity instruments	0				0				8	0		0	0
16	**of which insurance undertakings**	**0**				**0**				**18**	**4**		**0**	**0**
17	Loans and advances	0				0				3	0		0	0
18	Debt securities	0				0				15	4		0	0
19	Equity instruments	0				0				0	0		0	0
20	**Non-financial undertakings**	**20**				**0**				**4,538**	**757**		**30**	**266**
21	Loans and advances	20				0				4,533	757		30	266
22	Debt securities	0				0				1	0		0	0
23	Equity instruments	0				0				4	0		0	0
24	**Households**	**0**				**0**				**81,640**	**9,195**		**0**	**0**
25	of which loans collateralised by residential immovable property									77,219	9,195		0	0
26	of which building renovation loans									851				
27	of which motor vehicle loans									3,570				
28	**Local governments financing**	**0**				**0**				**7**	**0**		**0**	**0**
29	Housing financing													
30	Other local government financing	0				0				7	0		0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													

		s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31 December 2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
in millions of euros				of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which enabling			of which Use of Proceeds	of which transitional	of which enabling
32	**ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)**													
33	**Financial and Non-financial undertakings**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations													
35	Loans and advances													
36	of which loans collateralised by commercial immovable property													
37	of which building renovation loans													
38	Debt securities													
39	Equity instruments													
40	Non-EU country counterparties not subject to NFRD disclosure obligations													
41	Loans and advances													
42	Debt securities													
43	Equity instruments													
44	Derivatives													
45	On demand interbank loans													
46	Cash and cash-related assets													
47	Other categories of assets (e.g. Goodwill, commodities etc.)													
48	**TOTAL GAR ASSETS**	22				0				87,302	9,995		34	292
49	**ASSETS NOT COVERED FOR GAR CALCULATION**													
50	Central governments and Supranational issuers													
51	Central banks exposures													
52	Assets Held for Trading													
53	**TOTAL ASSETS**													
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	13				**1**				952	362		50	118
55	Assets under management	51				**0**				1,295	516		34	289
56	of which debt securities	19				**0**				1,049	428		30	262
57	of which equity instruments	32				**0**				227	69		4	27

TABLE No. 59: GAR : SECTOR INFORMATION (STOCKS; ELIGIBILITY AND ALIGNEMENT MEASURED ON A CAPEX BASIS)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		31 December 2024															
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector *in millions of euros*	Mn EUR	Of which environ-mentally sustainable (CCM)	Mn EUR	Of which environ-mentally sustainable (CCM)	Mn EUR	Of which environ-mentally sustainable (CCA)	Mn EUR	Of which environ-mentally sustainable (CCA)	Mn EUR	Of which environ-mentally sustainable (WTR)	Mn EUR	Of which environ-mentally sustainable (WTR)	Mn EUR	Of which environ-mentally sustainable (CE)	Mn EUR	Of which environ-mentally sustainable (CE)
1	A - Agriculture, forestry and fishing	2	0			0	0			0				0			
2	B - Mining and quarrying	20	16			0	0			0				0			
3	*B.05 - Mining of coal and lignite*	-	-			-	-			-				-			
4	*B.06 - Extraction of crude petroleum and natural gas*	18	15			-	-			-				-			
5	*B.07 - Mining of metal ores*	0	-			0	-			-				0			
6	*B.08 - Other mining and quarrying*	0	0			0	0			0				0			
7	*B.09 - Mining support service activities*	2	1			-	-			-				-			
8	C - Manufacturing	1,014	53			90	0			1				12			
9	*C.10 - Manufacture of food products*	185	1			15	0			1				3			
10	*C.11 - Manufacture of beverages*	11	0			1	-			-				0			
11	*C.12 - Manufacture of tobacco products*	-	-			-	-			-				-			
12	*C.13 - Manufacture of textiles*	1	0			0	-			0				0			
13	*C.14 - Manufacture of wearing apparel*	0	0			-	-			-				-			
14	*C.15 - Manufacture of leather and related products*	0	0			-	-			-				0			
15	*C.16 - Manufacture of wood and of products of wood and cork*	1	0			0	-			-				0			
16	*C.17 - Manufacture of paper and paper products*	49	0			0	-			0				0			
17	*C.18 - Printing and reproduction of recorded media*	1	0			0	0			0				0			
18	*C.19 - Manufacture of coke and refined petroleum products*	0	0			-	-			-				-			
19	*C.20 - Manufacture of chemicals and chemical products*	143	1			56	0			0				0			
20	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	333	0			0	-			0				0			
21	*C.22 - Manufacture of rubber products*	5	0			0	0			-				0			
22	*C.23 - Manufacture of other non-metallic mineral products*	14	4			1	0			0				0			
23	*C.24 - Manufacture of basic metals*	5	1			1	0			-				0			
24	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	38	12			0	0			0				0			
25	*C.26 - Manufacture of computer, electronic and optical products*	84	1			0	0			0				0			
26	*C.27 - Manufacture of electrical equipment*	5	2			1	0			0				0			
27	*C.28 - Manufacture of machinery and equipment n.e.c.*	19	1			0	0			0				8			
28	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	107	28			14	-			0				0			
29	*C.30 - Manufacture of other transport equipment*	5	1			0	-			0				0			
30	*C.31 - Manufacture of furniture*	1	0			0	-			-				0			

	Breakdown by sector *in millions of euros*	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		31 December 2024															
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
31	*C.32 - Other manufacturing*	2	0			0	-			-				0			
32	*C.33 - Repair and installation of machinery and equipment*	3	0			0	0			0				0			
33	D - Electricity, gas, steam and air conditioning supply	547	120			97	0			0				0			
34	*D35.1 - Electric power generation, transmission and distribution*	517	94			97	0			0				0			
35	*D35.11 - Production of electricity*	322	23			95	0			0				0			
36	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	29	24			0	0			0				0			
37	*D35.3 - Steam and air conditioning supply*	1	1			0	0			0				0			
38	E - Water supply; sewerage, waste management and remediation activities	224	23			7	6			16				5			
39	F - Construction	454	183			2	0			0				11			
40	*F.41 - Construction of buildings*	332	176			0	0			0				2			
41	*F.42 - Civil engineering*	99	2			1	0			0				8			
42	*F.43 - Specialised construction activities*	22	4			0	0			0				0			
43	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	172	14			5	0			0				1			
44	H - Transportation and storage	436	76			24	1			7				41			
45	*H.49 - Land transport and transport via pipelines*	97	40			0	0			3				1			
46	*H.50 - Water transport*	69	9			-	0			-				-			
47	*H.51 - Air transport*	3	0			-	-			-				0			
48	*H.52 - Warehousing and support activities for transportation*	265	26			23	0			3				39			
49	*H.53 - Postal and courier activities*	2	2			0	-			-				0			
50	I - Accommodation and food service activities	9	1			0	0			0				0			
51	L - Real estate activities	459	178			0	-0			0				0			
52	K - Financial and insurance activities	130	2			0	0			0				0			
53	Exposures to other sectors (NACE codes J, M - U)	639	78			30	4			1				30			

		q	r	s	t	u	v	w	x	y	z	aa	ab
		31 December 2024											
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector *in millions of euros*		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	A - Agriculture, forestry and fishing	0				-				2	0		
2	B - Mining and quarrying	-				-				20	16		
3	*B.05 - Mining of coal and lignite*	-				-				-	-		
4	*B.06 - Extraction of crude petroleum and natural gas*	-				-				18	15		
5	*B.07 - Mining of metal ores*	-				-				0	-		
6	*B.08 - Other mining and quarrying*	0				-				1	0		
7	*B.09 - Mining support service activities*	-				-				2	1		
8	C - Manufacturing	13				0				1,196	53		
9	*C.10 - Manufacture of food products*	0				0				186	1		
10	*C.11 - Manufacture of beverages*	-				0				14	0		
11	*C.12 - Manufacture of tobacco products*	-				-				-	-		
12	*C.13 - Manufacture of textiles*	-				-				1	0		
13	*C.14 - Manufacture of wearing apparel*	-				-				0	0		
14	*C.15 - Manufacture of leather and related products*	-				-				0	0		
15	*C.16 - Manufacture of wood and of products of wood and cork*	0				-				1	0		
16	*C.17 - Manufacture of paper and paper products*	0				0				50	0		
17	*C.18 - Printing and reproduction of recorded media*	0				0				1	0		
18	*C.19 - Manufacture of coke and refined petroleum products*	-				-				0	0		
19	*C.20 - Manufacture of chemicals and chemical products*	0				-				144	1		
20	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	13				-				491	0		
21	*C.22 - Manufacture of rubber products*	-				-				6	1		
22	*C.23 - Manufacture of other non-metallic mineral products*	-				-				15	4		
23	*C.24 - Manufacture of basic metals*	-				-				5	1		
24	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	-				-				38	12		
25	*C.26 - Manufacture of computer, electronic and optical products*	0				0				90	1		
26	*C.27 - Manufacture of electrical equipment*	-				-				5	2		
27	*C.28 - Manufacture of machinery and equipment n.e.c.*	0				-				28	1		
28	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	0				-				108	28		
29	*C.30 - Manufacture of other transport equipment*	0				0				5	1		
30	*C.31 - Manufacture of furniture*	-				-				1	0		
31	*C.32 - Other manufacturing*	0				-				2	0		
32	*C.33 - Repair and installation of machinery and equipment*	0				-				3	0		
33	D - Electricity, gas, steam and air conditioning supply	0				-				577	120		

		q	r	s	t	u	v	w	x	y	z	aa	ab
		31 December 2024											
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector *in millions of euros*	Mn EUR	Of which environ-mentally sustainable (PPC)	Mn EUR	Of which environ-mentally sustainable (PPC)	Mn EUR	Of which environ-mentally sustainable (BIO)	Mn EUR	Of which environ-mentally sustainable (BIO)	Mn EUR	Of which environ-mentally sustain-able (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environ-mentally sustain-able (CCM + CCA + WTR + CE + PPC + BIO)
34	*D35.1 - Electric power generation, transmission and distribution*	0				-				547	95		
35	*D35.11 - Production of electricity*	0				-				352	24		
36	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	0				-				29	24		
37	*D35.3 - Steam and air conditioning supply*	0				-				1	1		
38	E - Water supply; sewerage, waste management and remediation activities	5				-				234	29		
39	F - Construction	0				-				467	183		
40	*F.41 - Construction of buildings*	0				-				336	176		
41	*F.42 - Civil engineering*	0				-				108	2		
42	*F.43 - Specialised construction activities*	0				-				23	4		
43	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0				0				181	14		
44	H - Transportation and storage	1				-				502	77		
45	*H.49 - Land transport and transport via pipelines*	1				-				99	40		
46	*H.50 - Water transport*	-				-				98	9		
47	*H.51 - Air transport*	-				-				3	0		
48	*H.52 - Warehousing and support activities for transportation*	0				-				300	26		
49	*H.53 - Postal and courier activities*	0				-				3	2		
50	I - Accommodation and food service activities	0				0				9	1		
51	L - Real estate activities	0				0				469	178		
52	K - Financial and insurance activities	0				0				143	2		
53	Exposures to other sectors (NACE codes J, M - U)	0				0				737	83		

TABLE No. 60: GAR STOCK KPI (MEASURE BASED ON CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31 December 2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	27.04%	3.11%	0.00%	0.01%	0.09%	0.08%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**57.82%**	**6.65%**	**0.00%**	**0.02%**	**0.19%**	**0.17%**	**0.01%**	**0.00%**	**0.00%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.07%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial undertakings**	**11.33%**	**0.45%**	**0.00%**	**0.04%**	**0.27%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**10.52%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities	26.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.18%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	**Other financial corporations**	**14.10%**	**1.97%**	**0.00%**	**0.17%**	**1.20%**	**0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.07%**			
8	**of which investment firms**	**47.47%**	**6.64%**	**0.00%**	**0.64%**	**4.50%**	**0.29%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**				**0.09%**			
9	Loans and advances	47.63%	6.72%	0.00%	0.65%	4.56%	0.30%	0.01%	0.00%	0.00%	0.00%				0.09%			
10	Debt securities	36.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
11	Equity instruments	23.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
12	**of which management companies**	**4.03%**	**0.24%**	**0.00%**	**0.01%**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**				**0.21%**			
13	Loans and advances	13.73%	1.28%	0.00%	0.05%	0.86%	0.03%	0.00%	0.00%	0.00%	0.07%				1.11%			
14	Debt securities																	
15	Equity instruments	1.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
16	**of which insurance undertakings**	**1.69%**	**0.38%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.00%**			
17	Loans and advances	4.64%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
18	Debt securities	10.90%	2.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
19	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
20	**Non-financial undertakings**	**9.64%**	**1.75%**	**0.00%**	**0.07%**	**0.62%**	**0.60%**	**0.03%**	**0.00%**	**0.00%**	**0.06%**				**0.23%**			
21	Loans and advances	9.73%	1.77%	0.00%	0.07%	0.63%	0.61%	0.03%	0.00%	0.00%	0.06%				0.24%			
22	Debt securities	12.06%	0.19%	0.00%	0.08%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
23	Equity instruments	0.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
24	**Households**	**87.96%**	**9.91%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				**0.00%**			
25	of which loans collateralised by residential immovable property	100.00%	11.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%											
28	**Local governments financing**	**0.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Housing financing			0.00%				0.00%	0.00%	0.00%								
30	Other local government financing	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																	
32	TOTAL GAR ASSETS	27.04%	3.11%	0.00%	0.01%	0.09%	0.08%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ab	ad
		31 December 2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator		0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.30%	3.11%	0.00%	0.01%	0.09%	39.23%
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	58.36%	6.66%	0.00%	0.02%	0.19%	39.23%
2	**Financial undertakings**	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.70%	0.45%	0.00%	0.04%	0.27%	2.49%
3	**Credit institutions**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.52%	0.00%	0.00%	0.00%	0.00%	1.93%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%	0.00%	0.00%	0.00%	0.00%	0.69%
5	Debt securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.52%	0.00%	0.00%	0.00%	0.00%	0.75%
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%		0.00%	0.00%	0.49%
7	**Other financial corporations**	0.12%				0.00%				15.72%	1.97%	0.00%	0.17%	1.20%	0.56%
8	**of which investment firms**	0.45%				0.00%				53.55%	6.66%	0.00%	0.64%	4.50%	0.15%
9	Loans and advances	0.46%				0.00%				53.78%	6.73%	0.00%	0.65%	4.56%	0.14%
10	Debt securities	0.00%				0.00%				36.10%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%				0.00%				23.27%	0.00%		0.00%	0.00%	0.00%
12	**of which management companies**	0.00%				0.00%				4.26%	0.24%	0.00%	0.01%	0.16%	0.14%
13	Loans and advances	0.00%				0.00%				14.96%	1.28%	0.00%	0.05%	0.86%	0.03%
14	Debt securities														0.00%
15	Equity instruments	0.00%				0.00%				1.78%	0.00%		0.00%	0.00%	0.11%
16	**of which insurance undertakings**	0.00%				0.00%				1.69%	0.38%	0.00%	0.00%	0.00%	0.28%
17	Loans and advances	0.00%				0.00%				4.64%	0.03%	0.00%	0.00%	0.00%	0.02%
18	Debt securities	0.00%				0.00%				10.90%	2.90%	0.00%	0.00%	0.00%	0.04%
19	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.23%
20	**Non-financial undertakings**	0.05%				0.00%				10.65%	1.78%	0.00%	0.07%	0.62%	11.13%
21	Loans and advances	0.05%				0.00%				10.75%	1.79%	0.00%	0.07%	0.63%	11.01%
22	Debt securities	0.00%				0.00%				12.06%	0.19%	0.00%	0.08%	0.08%	0.00%
23	Equity instruments	0.00%				0.00%				0.84%	0.00%		0.00%	0.00%	0.11%
24	**Households**	0.00%				0.00%				87.96%	9.91%	0.00%	0.00%	0.00%	24.25%
25	of which loans collateralised by residential immovable property	0.00%				0.00%				100.00%	11.91%	0.00%	0.00%	0.00%	20.17%
26	of which building renovation loans	0.00%				0.00%				100.00%	0.00%	0.00%	0.00%	0.00%	0.22%
27	of which motor vehicle loans									100.00%	0.00%	0.00%	0.00%	0.00%	0.93%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	1.36%
29	Housing financing											0.00%			0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	1.36%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	TOTAL GAR ASSETS	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.30%	3.11%	0.00%	0.01%	0.09%	39.23%

TABLE No. 61: GAR FLOW KPI (MEASURE BASED ON CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31 December 2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	-6.11%	-19.87%		1.95%	-0.21%	-0.27%	-0.01%			-0.06%				-0.06%			
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	-6.11%	-19.87%	0.00%	1.95%	-0.21%	-0.27%	-0.01%	0.00%		-0.06%				-0.06%			
2	**Financial undertakings**	**-24.67%**	**2.76%**		**6.96%**	**-1.36%**	**-0.08%**	**0.00%**			**0.00%**				**0.00%**			
3	**Credit institutions**	**8.23%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**	**0.00%**			**0.00%**				**0.00%**			
4	Loans and advances	0.53%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
5	Debt securities, including UoP	86.83%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
6	Equity instruments	0.18%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
7	**Other financial corporations**	**0.85%**	**0.62%**		**1.56%**	**-0.30%**	**-0.02%**	**0.00%**			**0.00%**				**0.00%**			
8	**of which investment firms**	**2.64%**	**1.32%**		**2.03%**	**-0.41%**	**-0.02%**	**0.00%**			**0.00%**				**0.00%**			
9	Loans and advances	2.75%	1.39%		2.14%	-0.43%	-0.03%	0.00%			0.00%				0.00%			
10	Debt securities, including UoP	18.87%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
11	Equity instruments	-0.13%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
12	**of which management companies**	**1.18%**	**0.08%**		**0.14%**	**0.00%**	**0.00%**	**0.00%**			**0.00%**				**0.00%**			
13	Loans and advances	0.92%	0.07%		0.13%	0.00%	0.00%	0.00%			0.00%				0.00%			
14	Debt securities, including UoP	9.96%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
15	Equity instruments	2.91%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
16	**of which insurance undertakings**	**21.80%**	**5.67%**		**0.00%**	**0.00%**	**0.00%**	**0.00%**			**0.00%**				**0.00%**			
17	Loans and advances	-1.16%	-0.01%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
18	Debt securities, including UoP	-14.87%	-3.96%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
19	Equity instruments	10.51%	2.80%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
20	**Non-financial undertakings**	**-1.12%**	**0.16%**		**1.63%**	**-0.16%**	**-0.25%**	**-0.01%**			**-0.05%**				**-0.05%**			
21	Loans and advances	-1.23%	0.16%		1.62%	-0.16%	-0.25%	-0.01%			-0.05%				-0.05%			
22	Debt securities, including UoP	61.44%	-0.01%		0.01%	-0.01%	0.00%	0.00%			0.00%				0.00%			
23	Equity instruments	1.36%	0.00%		0.00%	0.00%	0.00%	0.00%			0.00%				0.00%			
24	**Households**	**40.93%**	**198.95%**		**0.00%**	**0.00%**	**0.00%**	**0.00%**							**0.00%**			
25	of which loans collateralised by residential immovable property	100.00%	931.95%		0.00%	0.00%	0.00%	0.00%							0.00%			
26	of which building renovation loans	100.00%	0.00%		0.00%	0.00%	0.00%	0.00%							0.00%			
27	of which motor vehicle loans	100.00%	0.00%		0.00%	0.00%												
28	**Local governments financing**	**-1.93%**					**0.00%**				**0.00%**				**0.00%**			
29	Housing financing																	
30	Other local government financing	-1.93%					0.00%				0.00%				0.00%			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																	
32	TOTAL GAR ASSETS	-6.11%	-19.87%		1.95%	-0.21%	-0.27%	-0.01%		0.00%	-0.06%				-0.06%			

	r	s	t	u	v	w	x	y	z	aa	ab	ac	ab	ad
														31 December 2024
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator	-0.05%				0.00%				-6.83%	-19.87%		1.95%	3.49%	-86.26%
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-0.05%				0.00%				-7.10%	-18.87%		1.09%	-0.13%	-86.26%
2 Financial undertakings	-0.18%				0.00%				-8.81%	0.11%		0.95%	-0.48%	-2.67%
3 Credit institutions	0.00%				0.00%				13.29%	0.00%		0.00%	0.00%	9.24%
4 Loans and advances	0.00%				0.00%				0.52%	0.00%		0.00%	0.00%	4.89%
5 Debt securities, including UoP	0.00%				0.00%				86.94%	0.00%		0.00%	0.00%	0.84%
6 Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	3.51%
7 Other financial corporations	-0.04%				0.00%				0.23%	0.06%		0.56%	-0.28%	-11.92%
8 of which investment firms	-0.05%				0.00%				0.29%	0.17%		0.83%	-0.42%	-8.89%
9 Loans and advances	-0.06%				0.00%				0.28%	0.18%		0.87%	-0.45%	-8.45%
10 Debt securities, including UoP	0.00%				0.00%				18.87%	0.00%		0.00%	0.00%	-0.01%
11 Equity instruments	0.00%				0.00%				-0.13%	0.00%		0.00%	0.00%	-0.43%
12 of which management companies	0.00%				0.00%				0.23%	-0.03%		0.09%	-0.04%	-3.85%
13 Loans and advances	0.00%				0.00%				0.08%	-0.03%		0.11%	-0.04%	-4.13%
14 Debt securities, including UoP	0.00%				0.00%				9.96%	0.00%		0.00%	0.00%	-0.22%
15 Equity instruments	0.00%				0.00%				-5.74%	0.00%		0.00%	0.00%	0.50%
16 of which insurance undertakings	0.00%				0.00%				-0.83%	-1.03%		0.00%	0.00%	0.82%
17 Loans and advances	0.00%				0.00%				-1.05%	-0.01%		0.00%	0.00%	-0.37%
18 Debt securities, including UoP	0.00%				0.00%				-6.39%	-2.73%		0.00%	0.00%	-0.19%
19 Equity instruments	0.00%				0.00%				-24.22%	0.00%		0.00%	0.00%	1.39%
20 Non-financial undertakings	-0.04%				0.00%				-2.43%	-0.06%		1.01%	-0.08%	-91.81%
21 Loans and advances	-0.04%				0.00%				-2.55%	-0.06%		1.01%	-0.08%	-92.06%
22 Debt securities, including UoP	0.00%				0.00%				61.32%	0.00%		0.00%	0.00%	-0.18%
23 Equity instruments	0.00%				0.00%				-2.08%	0.00%		0.00%	0.00%	0.43%
24 Households									40.93%	198.95%		0.00%	0.00%	8.72%
25 of which loans collateralised by residential immovable property									100.00%	931.95%		0.00%	0.00%	1.86%
26 of which building renovation loans									100.00%	0.00%		0.00%	0.00%	0.38%
27 of which motor vehicle loans									100.00%	0.00%		0.00%	0.00%	1.32%
28 Local governments financing	0.00%				0.00%				-1.93%	0.00%		0.00%	0.00%	-0.50%
29 Housing financing														0.00%
30 Other local government financing	0.00%				0.00%				-1.93%	0.00%		0.00%	0.00%	-0.50%
31 Collateral obtained by taking possession: residential and commercial immovable properties												0.00%	0.00%	0.00%
32 TOTAL GAR ASSETS	-0.05%				0.00%				-6.83%	-19.87%		1.95%	3.49%	-86.26%

TABLE No. 62: KPI OFF-BALANCE SHEET EXPOSURES (STOCKS, MEASURE BASED ON CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31 December 2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	**Financial guarantees (FinGuar KPI)**	6.61%	2.66%	0.00%	0.37%	0.89%	0.97%	0.05%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%
2	**Assets under management (AuM KPI)**	8.36%	3.80%	0.00%	0.27%	2.27%	1.24%	0.10%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ab
		31 December 2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.10%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	7.14%	2.72%	0.00%	0.37%	0.89%
2	Assets under management (AuM KPI)	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.16%	4.05%	0.00%	0.27%	2.27%

TABLE No. 63: KPI OFF-BALANCE SHEET EXPOSURES (FLOWS, MEASURE BASED ON CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31 December 2024																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	**Financial guarantees (FinGuar KPI)**	0.47%	0.69%	0.00%	1.33%	-0.29%	-1.04%	-0.04%	0.00%	0.00%	-0.12%	0.00%	0.00%	0.00%	-0.33%	0.00%	0.00%	0.00%
2	**Assets under management (AuM KPI)**	5.62%	7.35%	0.00%	0.51%	4.14%	4.98%	0.11%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ab
		31 December 2024												
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-0.11%	0.00%	0.00%	0.00%	-0.01%	0.00%	0.00%	0.00%	-0.08%	0.65%	0.00%	1.33%	-0.29%
2	Assets under management (AuM KPI)	1.95%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	13.27%	8.11%	0.00%	0.51%	4.14%

TABLE No. 64: TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES (CAPEX-BASED)

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES

	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TABLE No. 65: TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR OF GAR STOCK, MEASURED ON A CAPEX BASIS)

		TOTAL CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities (in millions of euros)	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.00%	2	0.00%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	0.00%	18	0.00%	0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	9,974	0.78%	10,005	0.78%	12	0.00%
8.	**Total applicable KPI**	**9,995**	**0.78%**	**10,025**	**0.79%**	**12**	**0.00%**

TABLE No. 66: TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR OF GAR STOCK, MEASURED ON A CAPEX BASIS)

Economic activities (in millions of euros)		TOTAL CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.02%	2	0.02%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	0.18%	18	0.18%	0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	9,974	99.80%	10,005	100.10%	12	0.12%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**9,995**	**100%**	**10,025**	**100.31%**	**12**	**0.12%**

TABLE No. 67: TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR OF GAR STOCK, MEASURED ON A CAPEX BASIS)

Economic activities (in millions of euros)		TOTAL CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.00%	4	0.00%	0	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	77,051	6.04%	76,806	6.02%	245	0.02%
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator**	**77,055**	**6.04%**	**76,810**	**6.02%**	**245**	**0.,02%**

TABLE No. 68: TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES (DENOMINATOR OF GAR STOCK, MEASURED ON A CAPEX BASIS)

		TOTAL	
	Economic activities (in millions of euros)	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	62,518	4.90%
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**62,537**	**4.90%**

TABLE No. 69: TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES (TURNOVER-BASED)

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES

	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TABLE No. 70: TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR OF GAR STOCK, MEASURED ON A TURNOVER BASIS)

Economic activities (in millions of euros)		TOTAL CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.00%	11	0.00%	0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	9,769	0.77%	9,764	0.76%	6	0.00%
8.	**Total applicable KPI**	**9,780**	**0.77%**	**9,774**	**0.77%**	**6**	**0.00%**

TABLE No. 71: TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR OF GAR STOCK, MEASURED ON A TURNOVER BASIS)

Economic activities (in millions of euros)		TOTAL CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.11%	11	0.11%	0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	9,769	99.89%	9,764	99.83%	6	0.06%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**9,780**	**100%**	**9,774**	**99.94%**	**6**	**0.06%**

TABLE No. 72: TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR OF GAR STOCK, MEASURED ON A TURNOVER BASIS)

		TOTAL CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities (in millions of euros)	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	20	0.00%	20	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	77,173	6.04%	76,970	6.03%	203	0.02%
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator**	**77,193**	**6.05%**	**76,990**	**6.03%**	**203**	**0.02%**

TABLE No. 73: TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES (DENOMINATOR OF GAR STOCK, MEASURED ON A TURNOVER BASIS)

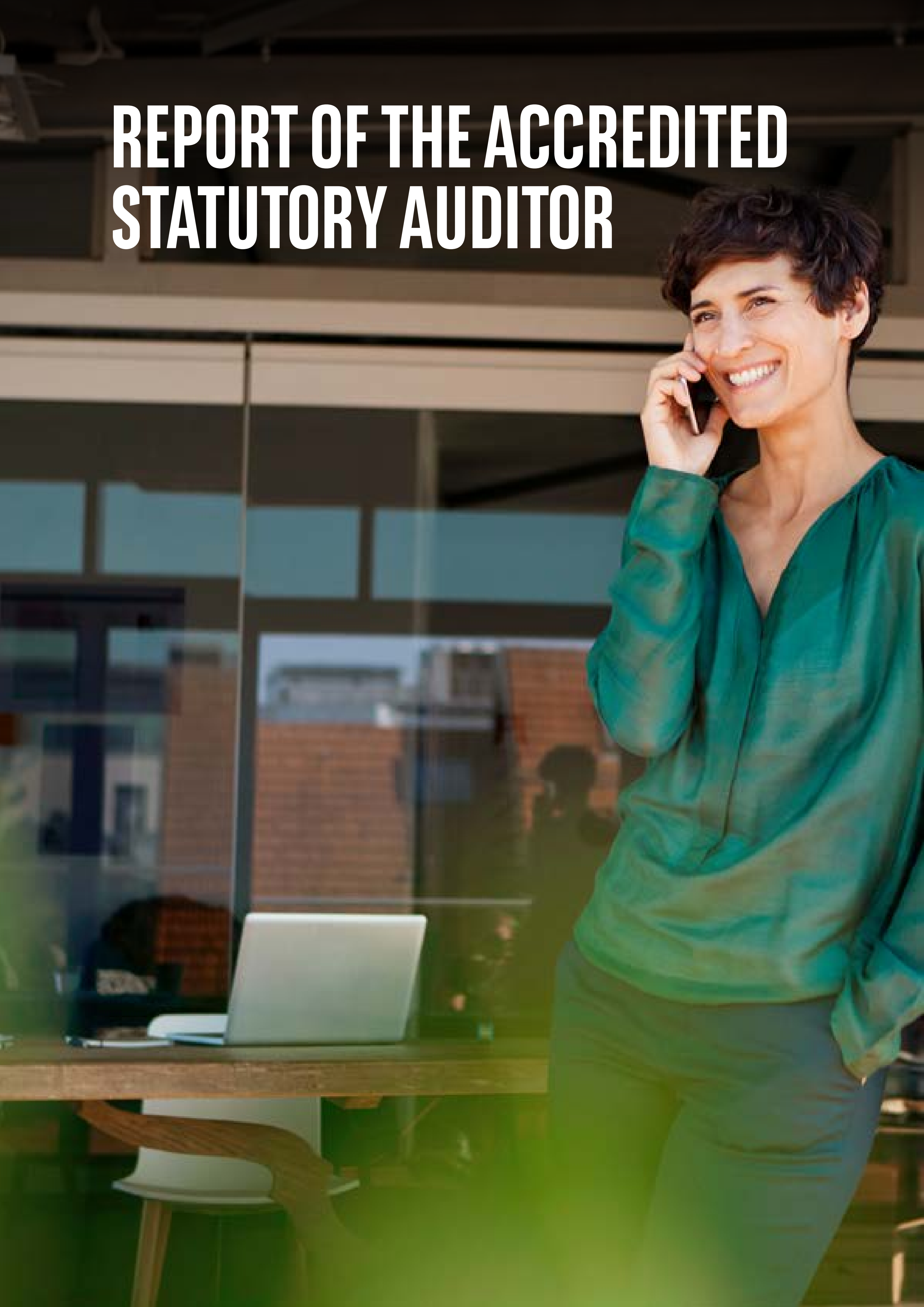
		TOTAL	
	Economic activities (in millions of euros)	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	62,913	4.93%
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**62,917**	**4.93%**

8.c List of acronyms and abbreviations

Acronyms and Abbreviations	Complete form
ABC	Anti-Bribery and Corruption
ACAMS	Association of Certified Anti-Money-laundering Specialists
AIE	Agence Internationale de l'Energie (IEA, International Energy Agency)
B2B	Business to Business
BREEAM	Building Research Establishment Environmental Assessment Method
CEO	Chief Executive Officer
CH_4	Methane
CHRO	Chief Human Resources Officer
CIB	Corporate & Institutional Banking
CISO	Chief Information Security Officer
CO_2	Carbon dioxide
CPBS	Commercial, Personal Banking & Services
CRREM	Carbon Risk Real Estate Monitoring
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
DIA	Department of Institutional Affairs
DEFRA	Department for Environment, Food & Rural Affairs
DMA	Double Materiality Assessment
DP	Datapoint
DPO	Data Protection Officer
EaD	Exposure at Default
EBA	European Banking Authority
ECB	European Central Bank
EEM	Energy Efficient Mortgage
EEML	Energy Efficient Mortgage Label
EMEA	Europe, Middle East, Africa
EPB	Energy Performance of Buildings
EPC	Energy Performance Certificates
EPD	Energy Performance Diagnostics
ESG	Environmental, Social & Governance
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading System
EU	European Union
FECEC	Fédération Européenne des Cadres des Etablissements de Crédit et des Institutions Financières (European Federation of Executives of Credit Institutions and Financial Institutions)
FPSO	Floating Production, Storage and Offloading
FSMA	Financial Services and Markets Authority
FTE	Full Time Equivalent
FTSE4Good	Financial Times Stock Exchange 4 Good Index
GAR	Green Asset Ratio
GAS	Growth, Accessibility, Sustainability
GDPR	General Data Protection Regulation
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse Gas
IPCC	Intergovernmental Panel on Climate Change
GREY	Global Reporting Initiative
GTS	Growth, Technology, Sustainability
HFC	Hydrofluorocarbons
HFO	Hydrofluorolefins
HQLA	High Quality Liquidity Assets
HR	Human Resources
IAI	International Aluminium Institute
ICAAP	Internal Capital Adequacy Assessment Process
ICD	International Classification of Disease
ICT	Information and Communication Technologies
IEA	International Energy Agency
IMEX	Immobilier d'Exploitation (BNP Paribas Group Operating Real Estate)
IPCC	Intergovernmental Panel on Climate Change

Acronyms and Abbreviations	Complete form
IPO	Initial Public Offering
IRO	Impacts, Risks and Opportunities
ISDA	International Swaps and Derivatives Association
ISO	International Organisation for Standardisation
ISSO	Information Systems Security Officer
kWh	Kilowatt hour
KYC	Know Your Customer
LCTG	Low Carbon Transition Group
LCTM	Low Carbon & Sustainable Transition for Mid-Caps & SMEs
LTIP	Long Term Incentive Plan
LTV	Loan to value
N_2O	Nitrous oxide
NACE	Statistical Classification of Economic Activities
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NGO	Non-Governmental Organisation
NZAM	Net Zero Asset Managers initiative
NZAOA	Net Zero Asset Owner Alliance
NZE	Net Zero Emissions
OECD	Organisation for Economic Co-operation and Development
PCAF	Partnership for Carbon Accounting Financials
PNB	Net Banking Income
PPAs	Power Purchase Agreements
PRIDE	Personal Rights in Defence and Education
PV	Photovoltaic Energy
PLAGE	Local Energy Management Action Plan
RAS	Risk Appetite Statement
RBL	Reserve-Based Lending
RCP	Representative Concentration Pathway (climate risk scenarios)
RECs	Renewable Energy Certificates
ROE	Return On Equity
SBCC	Sustainable Business Competence Centre
SBTs	Science-Based Targets
SDGs	Sustainable Development Goals
SF_6	Sulphur hexafluoride
SFDR	Sustainable Finance Disclosure Regulation
SLL	Sustainability-Linked Loan
SMEs	Small and Medium-Sized Enterprises
SMP	Senior Management Position
SSP	Share Socio-Economic Pathways (socio-economic variations of the IPCC CPR scenarios)
STES	Seasonal Thermal Energy Storage
t CO_2e	Tonne(s) of Carbon Dioxide Equivalent
t CO_2e/FTE	Tonne(s) of Carbon Dioxide Equivalent per Full-time Equivalent (unit of measurement of greenhouse gas emissions)
TMB	Team Motivation Barometer
UN	United Nations
V.I.E.	Volontariat International en Entreprise (International Internship in a Company)
WBCSD	World Business Council for Sustainable Development
WEO	World Energy Outlook

REPORT OF THE ACCREDITED STATUTORY AUDITOR



Limited assurance report of the statutory auditor on the consolidated sustainability statement of BNP Paribas Fortis SA/NV

In the framework of our legal limited assurance engagement on the consolidated sustainability statement of BNP Paribas Fortis SA/NV ("the company") and its subsidiaries ("the group"), we hereby submit our report on this mission.

We were appointed by the board of directors , in accordance with the engagement letter dated 13 December 2024, related to the performance of a limited assurance engagement on the consolidated sustainability information of the group, included in the sustainability statement of the board of directors' report as at 31 December 2024 and for the financial year then ended (the "sustainability statement").

We have performed our limited assurance engagement on the consolidated sustainability statement of the group for the first time during the current reporting period.

Limited assurance conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement of the group.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement, in all material respects:

- has not been prepared in accordance with the requirements stipulated in article 3:32/2 of the Code of Companies and Associations, in accordance with the applicable European Sustainability Reporting Standards (ESRS);
- has not been prepared in accordance with the process carried out by the group to identify the information reported in the consolidated sustainability statement (the "process") as set out in the note "1.c.1 Description of the processes to identify and assess the material Impacts, risks and opportunities";
- does not comply with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the disclosures in section "3 activities aligned with the European Taxonomy".

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), as applicable in Belgium.

Our responsibilities under this standard are described in more detail in the section of our report "Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statement".

We have complied with all ethical requirements relevant to limited assurance engagements on the consolidated sustainability statement in Belgium, including those regarding independence.

We apply the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and the company's and group's officials all explanations and information required for our limited assurance engagement.

We believe that the evidence we have obtained in the framework of our limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matters

Without prejudice to the above mentioned conclusion, we draw your attention to:

- "Table 11: Scope of assets included in the calculation of the GHG emissions financed (scope 3, category 15)" in note 2.c.4 of the consolidated sustainability statement describing the exclusions of the financial assets of the gross GHG emissions and more specifically the exclusion of the loans to retail clients.

- Note "1.c.2 Material impacts, risks and opportunities and their interaction with the strategy and business model" of the consolidated sustainability statement describing the consideration of the specificities of BNP Paribas Fortis' non-banking subsidiary Arval.

Other matter

The scope of our work is limited to our limited assurance engagement on the consolidated sustainability statement of the group for the year ended 31 December 2024. Our limited assurance engagement does not extend to information related to the comparative figures included in the consolidated sustainability statement.

Responsibilities of the board of directors relating to the preparation of the consolidated sustainability statement

The board of directors is responsible for designing and implementing a process and for disclosing this process in the note « 1.c.1 Description of the processes to identify and assess the material Impacts, risks and opportunities » of the consolidated sustainability statement. This responsibility includes:

- understanding the context in which the group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.
- The board of directors is also responsible for the preparation of the consolidated sustainability statement, which includes the information established by the process,
- in accordance with the requirements set out in article 3:32/2 of the Code of Companies and Associations, including the applicable European Sustainability Reporting Standards (ESRS);
- in compliance with the requirements of Article 8 of the Taxonomy Regulation regarding the disclosure of the information included in "3 aActivities aligned with the European taxonomy" of the sustainability statement.
- This responsibility comprises:
- designing, implementing and maintaining such internal control that the board of directors deems necessary for the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee and board of directors are responsible for overseeing the group's sustainability reporting process.

Inherent limitations in preparing the consolidated sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and deviations may be of material importance.

Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken based on the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgement and maintain professional scepticism throughout the engagement. The work performed in an engagement aiming to obtain a limited level of assurance, for which we refer to the section "Summary of the work performed" is less in scope than in an engagement aiming to obtain a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

Since the forward-looking information in the consolidated sustainability statement and the assumptions on which it is based, relate to the future, they may be affected by events that may occur in the future and/or by potential actions of the group. The actual outcomes are likely to be different from the assumptions made, as the anticipated events often do not occur as expected, and the deviation from them could be material. Therefore, our conclusion does not provide any assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statement.

Our responsibilities in respect of the consolidated sustainability statement, in relation to the process, include:

- obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process; and
- designing and performing procedures to evaluate whether the process is consistent with the company description of its process, as disclosed in the note "1.c.1 Description of the processes to identify and assess the material Impacts, risks and opportunities ".

Our other responsibilities in respect of the consolidated sustainability statement include:

- acquiring an understanding of the group's control environment, the relevant processes, and information systems for preparing the consolidated sustainability statement, but without assessing the design of specific control activities, obtaining supporting information about their implementation, or testing the effective operation of the established internal control measures;
- identifying where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statement. The procedures in a limited assurance engagement vary in nature and timing and are less in extent than procedures performed for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of the procedures selected depend on professional judgement, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the process, we:

- obtained an understanding of the process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the group's internal documentation of its process; and
- evaluated whether the assurance evidence obtained from our procedures with respect to the process implemented by the group was consistent with the description of the process set out in the note "1.c.1 Description of the processes to identify and assess the material Iimpacts, risks and opportunities".

In conducting our limited assurance engagement, with respect to the consolidated sustainability statement, we have:

- obtained an understanding of the group's reporting processes relevant to the preparation of its consolidated sustainability statement by obtaining an understanding of the company's / group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statement but not with the purpose of providing a conclusion on the effectiveness of the group's internal control;
- evaluated whether the information identified by the process is included in the consolidated sustainability statement;
- evaluated whether the structure and the presentation of the consolidated sustainability statement has been prepared in accordance with the ESRS;

- performed inquires with relevant personnel and analytical procedures on selected information in the consolidated sustainability statement;
- compared disclosures in the sustainability statement with the corresponding disclosures in the financial statements;
- obtained evidence on the methods and assumptions for developing estimates and forward-looking information as described in the section "Responsibilities of the statutory auditor related to the limited assurance engagement on the consolidated sustainability statement";
- obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statement;

Statement related to independence

Our audit firm and our network have not performed any engagements which are incompatible with the limited assurance engagement, and our audit firm has remained independent of the group throughout the course of our mandate.

Signed at Zaventem 28 March 2025.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

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