BNP PARIBAS FORTIS SA/NV

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

First half 2026

BNP PARIBAS FORTIS

The bank for a changing world

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 report for the first half-year of 2026 includes the Interim Report of the Board of Directors, the Statement of the Board of Directors, the composition of the Board, the Consolidated Interim Financial Statements and the notes to the Consolidated Interim Financial Statements for the first half-year of 2026.

The BNP Paribas Fortis Consolidated Interim Financial Statements for the first half-year of 2026, including the 2025 comparative figures, have been prepared at 30 June 2026 in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. It includes condensed financial statements (balance sheet, profit and loss account, statement of net income and changes in fair value of assets and liabilities recognised directly in equity, statement of changes in shareholders' equity, minority interests and statement of cash flows) and selected explanatory notes. The BNP Paribas Fortis Consolidated Interim Financial Statements should be read in conjunction with the audited BNP Paribas Fortis Consolidated Financial Statements 2025, which are available on https://www.bnpparibasfortis.be.

As an issuer of listed debt instruments and in accordance with the EU Transparency Directive, BNP Paribas Fortis SA/NV is subject to obligations regarding periodic financial reporting, including half-yearly interim financial statements and an intermediate report by the Board of Directors.

All amounts in the tables of the consolidated interim financial statements are denominated in millions 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 interim financial statements to the BNP Paribas Fortis SA/NV consolidated situation unless stated otherwise.

All information contained in the BNP Paribas Fortis interim financial statements for the first half-year of 2026 relates to the BNP Paribas Fortis statutory 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.

The BNP Paribas Fortis interim financial statements for the first half-year of 2026 are available on the website: www.bnpparibasfortis.be.

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REPORT OF THE BOARD OF DIRECTORS

This section provides a summary of the evolutions in the first half of 2026 and elaborates on the following key developments:

1. Economic context;
2. Results of the first half of 2026 and the balance sheet as at 30 June 2026;
3. Status of liquidity and solvency;
4. Principal risks and uncertainties.

Economic context in the first half 2026

The US administration started out the new year in similar vein as it ended 2025, adopting an aggressive stance in several geopolitical issues. After having intervened in Venezuela, President Trump disquieted EU governments by renewing his call for the US to control Greenland. This tread of geopolitics unwound at the Davos conference however, even if the American president recently reiterated his designs on the island. Focus then shifted to the Middle East, as an uneasy alliance of the US and Israel came into conflict with Iran. Since the attack the strait of Hormuz, a key trade artery, has been mostly closed, resulting in gas and oil prices rising steeply.

The US Supreme Court ruled against the US Administration on the matter of the tariffs that president Trump announced early in 2025 and subsequently had been (re-)negotiating. New ways to implement trade tariffs will be found by the US administration however since it needs the proceeds to fund its “Big Beautiful Bill”.

Despite US inflation rising further, the US Federal Reserve remains stuck in a holding pattern. The new Fed Chairman Kevin Warsh recently turned the easing bias into a tightening bias. Taking into account the solid economic growth and tight labour market, BNP Paribas now forecasts three hikes up to the end of 2027 starting in December 2026 and followed up by two more hikes in 1Q 2027.

In the first half of 2026, the International Monetary Fund downgraded Türkiye’s full-year growth forecast twice, moving down to 2.9% by July 2026, as 1Q 2026 GDP growth slowed to 2.5% year-on-year. The IMF cited shocks from higher energy/commodity prices, weaker domestic demand and tighter financial conditions, projecting average 2026 inflation at 28.6%.

Meanwhile, the ECB has put in a rate hike, effective 17 June 2026. Even if the theoretical policy prescription would have been to ‘look through’ the supply-side crisis, the European central bankers elected to move to avoid runaway inflation, with another hike likely before the end of the summer. Whether a third-rate hike is in the cards depends on the Middle East conflict and oil prices.

US inflation is expected to remain stable at 3.5% this year, up from 2.7% last year, and to decline somewhat to 2.7% next year. Growth is expected to increase somewhat from last year’s 2.1%: forecasts suggest growth rates of 2.4% this year and 2.5% in 2027.

Eurozone inflation rose this year, up from 2.1%. Currently 2.7% inflation is envisaged for the full year 2026 and 2.6% next year but these outlooks are surrounded by increased uncertainty because of the situation in the Middle East and the resulting trajectories of oil and gas prices.

This situation weighs down on GDP growth, which stood at 1.5% last year but is expected to remain close to 0.6% this year. 2027 would see a recovery to 1.6% in the base scenario.

Until a few weeks ago, the dollar was expected to depreciate further against the euro, to reach 1.26 by the end of 2027. A recent perceived deescalation in the Middle East made a reconsideration of the magnitude if not the direction of this trajectory necessary and the latest outlook now entails a USD/EUR ratio of 1.22 by the fourth quarter of 2027.

Overall European used car prices continue a steady normalisation and decline after post-pandemic spikes, though used electric vehicles buck the downward trend with higher demand, rising asking prices, and better retention rates as higher fuel prices caused by geopolitical tensions make thermal cars less attractive according to the European AUTO1 Group Price Index.

The Belgian labour market is cooling down, as the unemployment rate has risen slightly over the last 12 months. At the same time, vacancy rates and the Federgon temporary employment index are also declining, which is consistent with the pattern of a soft landing. This will not help the government to meet its budget goals: it had been counting on a higher employment rate to lower social expenditures and bring in more wage-related tax revenues.

In fact, government revenues, which stood at 49% of GDP last year, look to decline to 48.5% by 2028, according to the NBB’s latest projections. On the surface, a similar decline in current expenditures over the same period, from 47.9% to 47.4%, suggest a stabilisation of the current situation. The expected increase in military spending, on top of the yearly, mechanical pickup in interest rate charges, to be paid on the outstanding debt, conspire to push the public deficit from an already worrisome 5.2% in 2025 to 5.7% in 2028.

As a result, about 2% points of GDP are being added the debt-ratio every year. The NBB sees government debt at a hefty 114.8% by 2028, the horizon of its forecasting period.

Capital expenditure has changed markedly in terms of its composition, as business have shifted their focus to rationalisation, instead of expansion. Businesses remain mostly pessimistic, except for those in the construction sector, now that activity in the market for existing properties has recovered. Belgian real estate remains on an upward price trajectory, with also the number of transactions having recovered from its recent lull, following the ECB previous hike-cycle.

Private consumption has been slowing down since the start of the year. Recent changes to automatic wage indexation could further dampen private expenditures, even if a lower savings rate could compensate. Inflation has been on the rise, a consequence of the increased fuel prices, but second-order effects look less pronounced than during the 2022-2023 inflation episode. At the start of the 2nd trimester, many Belgian firms announced their intention to increase prices in an effort to pass on the higher energy costs. Those intentions have since declined, with consumers also expressing less fear of pending price increases. The situation however remains highly volatile, in the wake of geopolitical gyrations.

Comments on the evolution of the results

BNP Paribas Fortis realised a consolidated net income attributable to equity holders of 1,494 million euros in the first half of 2026, compared to 1,058 million euros in the first half of 2025, up by 436 million euros or 41%. This increase included the gain on the sale of the participation in AG Insurance for 636 million euros.

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 (7%) compared to the first half of 2025. 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 1,778 million euros in the first half of 2026, up by 70 million euros or 4% compared to 1,708 million euros in the first half of 2025. The increase was the result of higher revenues by 238 million euros or 5%, marginal higher costs by (27) million euros or 1% and an increase in the cost of risk by (141) million euros.

Non-operating items (share of earnings of equity-method entities, net gain on non-current assets and goodwill) were up by 455 million euros. The corporate income tax increased by (86) million euros and the minority interests decreased by (3) million euros.

The comparison between the first half of 2026 and first half of 2025 results was impacted by the following elements:

- Scope changes, including mainly the sale of BNPP Asset Management in Q3 2025, the sale of AG Insurance in Q2 2026, the liquidation of BNPPF NY Branch in Q4 2025 and the liquidation of FCT Pulse France in Q1 2026;
- Foreign exchange variations, mostly the depreciation of the Turkish lira against euro (from 46.86 EUR/TRY in Q2 of 2025 to 53.29 EUR/TRY in Q2 of 2026).

Based on the segment information, 47% of the revenues were generated by banking activities in Belgium (mainly BNP Paribas Fortis and other legal entities of Commercial & Personal Banking), 25% by Arval & Leasing Solutions, 9% by banking activities in Luxembourg (mainly BGL BNP Paribas), 14% by banking activities in Turkey (mainly Turk Ekonomi Bankasi (“TEB”)) and 5% by Other (mainly Personal Finance).

Net interest income reached 2,741 million euros in the first half of 2026, an increase of 424 million euros or 18% compared to the first half of 2025. Excluding the foreign exchange effect ((45) million euros), the net interest income increased by 469 million euros.

In banking activities in Belgium and in Luxembourg, net interest income increased by 15% and 16% respectively, mainly driven by the Commercial and Personal Banking activities with higher deposit margins and volumes, partially offset by decreasing margins on loans. In banking activities in Turkey, the net interest income increased by 55% driven by higher commercial margins and increased volumes on loans and deposits. 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’) and despite the fleet growth of 6%. At Leasing Solutions, the net interest income decreased by (2)% mainly due to lower margins and a delay in production of new leasing contracts.

Net commission income amounted to 876 million euros in the first half of 2026, up by 64 million euros or 8% compared to the first half of 2025. Excluding the scope changes (15 million euros) and the foreign exchange effect ((16) million euros), net commission income increased by 64 million euros.

In banking activities in Belgium, net commissions increased mainly driven by financial fees. The net commissions increased in all other segments, except in banking activities in Luxembourg and at Personal Finance.

Net results on financial instruments at fair value through profit or loss stood at 76 million euros in the first half of 2026, down by (66) million euros compared to the first half of 2025. Excluding the scope changes (5 million euros) and foreign exchange effect ((9) million euros), net results on financial instruments at fair value through profit or loss decreased by (62) million euros.

The decrease was mostly driven by banking activities in Turkey, with lower revenues from market activities servicing clients in the first half of 2026 as the revenues of the first half of 2025 benefited from a context of high volatility in currency exchange rates and interest rates.

Net results on financial instruments at fair value through equity stood at 4 million euros in the first half of 2026 compared to 13 million euros in the first half of 2025.

Net results on the derecognition of financial assets at amortised cost amounted to (2) million euros in the first half of 2026, compared to (1) million euros in the first half of 2025.

Net income from insurance activities totalled 40 million euros in the first half 2026, compared 32 million euros in the first half of 2025.

Net income from other activities totalled 1,695 million euros in the first half 2026, decreasing by (181) million euros or (10%) compared to the first half of 2025. Excluding the scope changes ((4) million euros) and foreign exchange effect ((12) million euros), net income from other activities decreased by (165) million euros.

The main contributor remained Arval thanks to results supported by a further expansion of the financed fleet (+6%). However, this increase was more than offset by a decrease of revenues on used cars ((306) million euros compared to the first half of 2025) in a context of conflict in the Middle East impacting the fuel price upwards and resulting in significantly lower used car prices.

Operating expenses amounted to (2,983) million euros in the first half of 2026, increasing by (12) million euros compared to the first half of 2025. Excluding the scope changes ((5) million euros) and the foreign exchange effect (43 million euros), there was an increase of (50) million euros.

The staff expenses were higher, mainly driven by banking activities in Turkey still impacted by the inflation and by Arval & Leasing Solutions following the growth of activities at Arval and the wage drift. In banking activities in Belgium, staff costs were lower following a decrease in FTEs. The decrease in other operating expenses is mainly attributable to banking activities in Belgium thanks to decreasing banking taxes with a lower contribution to the Deposit Guarantee Scheme (DGS) compared to the first half of 2025.

Depreciation charges stood at (223) million euros in the first half of 2026 compared to (208) million euros in the first half of 2025, i.e. an increase of (15) million euros.

Cost of risk totalled (446) million euros in the first half of 2026, i.e. an increase of (141) million euros compared to the first half of 2025. Excluding the scope changes (1 million euros) and the foreign exchange effect (14 million euros), there was an increase of (156) million euros. Following the review of the macroeconomic scenarios, a total impact for BNP Paribas Fortis of (37) million euros was accounted for in the cost of risk to reflect the geopolitical context.

In banking activities in Belgium, the cost of risk increased in the first half of 2026 compared to the first half of 2025, mainly due to higher stage 3 provisions in individual files. In banking activities in Luxembourg, the cost of risk increased driven by higher provisions in all stages. In banking activities in Turkey, the cost of risk increased with higher provisions in stage 3, partly compensated by lower stages 1 and 2. At Arval, a decrease in stage 1 and 2 was noted, while the provisions in stage 3 increased; and at Leasing Solutions as well as at Personal Finance higher provisions were noted across all stages.

Share of earnings of equity-method entities amounted to 76 million euros in the first half of 2026, compared to 221 million euros during the first half of 2025, i.e. a decrease of (145) million euros compared to the first half of 2025. Excluding the scope changes ((102) million euros, of which (34) million euros linked to the disposal of the BNP Paribas Asset Management activities and (64) million euros linked to the sale of AG insurance), there was a decrease of (43) million euros. The decrease was mainly attributable to lower results at BNP Paribas Bank Polska and to the remaining profit realized on the sale of the non-banking activities of Isabel in Q1 2025 in banking activities in Belgium.

Net gain or loss on non-current assets amounted to 452 million euros in the first half of 2026 compared to (148) million euros in the first half of 2025, i.e. an increase of 600 million euros. The increase was mainly driven by the gain of 636 million euros following the sale of the 25% participation in AG Insurance in the second quarter of 2026, partly offset by the application of IAS 29 in banking activities in Turkey and in Arval & Leasing Solutions. 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 the first half of 2026 totalled (611) million euros compared to (525) million euros, an increase of (86) million euros. Excluding the share of earnings of equity-method entities (reported net of income taxes), the effective tax rate stood at 38% in the first half of 2026 compared to 34% in the first half of 2025.

Net income attributable to minority interests amounted 201 million euros in the first half of 2026, compared to 198 million euros in the first half of 2025.

Comments on the evolution of the balance sheet

The total balance sheet of BNP Paribas Fortis amounted to 394.7 billion euros as at 30 June 2026, up by 2.5 billion euros or 1% compared to 392.2 billion euros as at 31 December 2025.

Based on the segment information, 61% of the assets were contributed by banking activities in Belgium, 21% by Arval & Leasing Solutions, 9% by banking activities in Luxembourg, 4% by banking activities in Turkey and 5% by Other.

Assets

Cash and amounts due from central banks amounted to 33.0 billion euros, a decrease of (6.3) billion euros compared to 31 December 2025, mainly driven by banking activities in Belgium and Luxembourg in overnight deposits at their respective National Banks.

Financial instruments at fair value through profit or loss stood at 9.5 billion euros, down by (0.1) billion euros compared to 31 December 2025.

Derivatives used for hedging purposes increased by 0.3 billion euros and amounted to 4.5 billion euros. The derivatives used for hedging purposes on the liability side decreased by (0.7) billion euros and amounted to 4.7 billion euros as at 30 June 2026.

Financial assets at fair value through Other Comprehensive Income amounted to 15.0 billion euros as at 30 June 2026, up by 1.2 billion euros compared to 13.8 billion euros as at 31 December 2025.

Financial assets at amortised cost amounted to 271.0 billion euros as at 30 June 2026 and increased by 6.8 billion euros compared to 31 December 2025.

Loans and advances to customers amounted to 234.6 billion euros, up by 4.6 billion euros. In banking activities in Belgium, the increase was mainly related to on-demand accounts, mortgage loans and term loans, but partly offset by a decrease in reverse repos. Loans and advances to customers increased in all segments, albeit for different reasons: in banking activities in Luxembourg, the on-demand accounts increased most, while at Leasing Solutions and in banking activities in Turkey the growth stems mainly from term loans. At Personal Finance, the growth was mainly driven by consumer loans.

In addition, Loans and advances to credit institutions increased by 1.7 billion euros.

Debt securities at amortised cost amounted to 15.7 billion euros, increased by 0.5 billion euros compared to 31 December 2025.

Remeasurement adjustment on interest-rate risk hedged portfolios amounted to (1.1) billion euros compared to (1.0) billion euros as at 31 December 2025. This evolution is mainly driven by banking activities in Belgium and in relation with the evolution of interest rates.

Investments and other assets related to insurance activities amounted to 0.6 billion euros; a slight increase of 0.1 billion euros compared to 31 December 2025.

Current and deferred tax assets amounted to 0.8 billion euros, up by 0.1 billion euros compared to 0.7 billion euros as at 31 December 2025.

Accrued income and other assets stood at 12.3 billion euros as at 30 June 2026, an increase of 0.9 billion euros compared to 11.4 billion euros as at 31 December 2025.

Equity-method investments amounted to 1.4 billion euros, down by (0.1) billion euros compared to 1.5 billion euros as at 31 December 2025.

Property, plant and equipment and Investment property amounted to 46.3 billion euros as at 30 June 2026, up by 1.0 billion euros compared to 45.3 billion euros as at 31 December 2025, mainly related to the growth of the financed fleet at Arval (+2%, from 1.895k to 1,932k vehicles as at 30 June 2026).

Non-current assets held for sale amounted to 0.8 billion euros as at 31 December 2025. The investment in AG Insurance was reclassified as at 31 December 2025 from **Equity-method investments** following the signing of a framework agreement on 7 December 2025 between BNP Paribas Fortis and Ageas Group. Ageas, owner of 75% of the shares in AG Insurance and BNP Paribas Fortis, owner of 25% of the shares in AG Insurance, have agreed that the latter will sell its stake in AG Insurance to the former in exchange of a cash consideration of 1.9 billion euros. The sale was finalised in the second quarter of 2026 and the caption Non-current assets held for sale was therefore derecognised from the Balance sheet as at 30 June 2026.

Liabilities and Equity

Deposits from central banks stood at 2.4 billion euros as at 30 June 2026, up by 0.3 billion euros compared to 31 December 2025.

Financial instruments at fair value through profit or loss decreased by (2.8) billion euros, totalling 16.7 billion euros as at 30 June 2026 compared to 19.5 billion euros as at 31 December 2025. This difference is mainly explained by the decrease of the repos activity and the negative evolution of interest rate derivative instruments, only partly compensated by the debt securities issued, all in banking activities in Belgium.

Financial liabilities at amortised cost amounted to 317.4 billion euros as at 30 June 2026, up by 3.6 billion euros compared to 313.8 billion euros as at 31 December 2025.

Deposits from customers stood at 229.8 billion euros, up by 5.1 billion euros compared to 224.7 billion euros as at 31 December 2025. The increase in banking activities in Belgium stems mostly from an increase in saving and term accounts, while in banking activities in Luxembourg, the decrease of non-regulated accounts was more than compensated by the increase in term deposits.

Deposits from credit institutions decreased by (0.8) billion euros mainly caused by banking activities in Belgium, where higher repos were only partly offset by a decrease in interbank borrowings. Banking activities in Luxembourg showed an increase in interbank borrowings.

Debt securities decreased by (0.7) billion euros. Issued bonds decreased in Belgium banking activities and at Arval by 2.1 billion euros compared to 31 December 2025 and was partly offset by an increase in saving certificate issuances and negotiable debt securities in both Belgium and Luxembourg banking activities.

Subordinated debt stood at 6.8 billion euros as at 30 June 2026, stable compared to 31 December 2025.

Remeasurement adjustment on interest-rate risk hedged portfolios amounted to (1.9) billion euros compared to (2.3) billion euros as at 31 December 2025. This evolution is mainly explained by banking activities in Belgium due to the evolution of interest rates.

Current and deferred tax liabilities amounted to 1.9 billion euros as at 30 June 2026, compared to 1.7 billion euros as at 31 December 2025.

Accrued expenses and other liabilities stood at 12.1 billion euros as at 30 June 2026, up by 1.5 billion euros compared to 31 December 2025. This increase is mainly linked transactions not yet settled at the end of the month and for which settlement occurred in the beginning of July 2026.

Liabilities related to insurance contracts amounted to 0.3 billion euros as at 30 June 2026, stable compared to 31 December 2025.

Provisions for contingencies and charges amounted to 3.3 billion euros as at 30 June 2026, decreasing by (0.1) billion euros compared to the 3.4 billion euros as at 31 December 2025. The decrease is mainly driven by Arval, in relation to the reversal of provisions for uncertainty on the residual value of vehicles (for an amount of (74) million euros), provisions which were created for Plug-in Hybrid Electric Vehicle delivered before 2023 in a context of some uncertainty in the used car markets. Provisions for litigations have increased by 45 million euros compared to 31 December 2025, mainly as a response to a ruling in the UK regarding the interest margins to customers on car loans.

Shareholders' equity amounted to 31.4 billion euros as at 31 December 2025, up by 0.2 billion euros compared with 31.2 billion euros as at 31 December 2025. Retained earnings in banking activities in Belgium were mainly impacted by the net income attributable to shareholders contributing for 1.5 billion euros as at 30 June 2026, but were partly offset by the dividend distribution of -2.0 billion euros. Changes in assets and liabilities recognised directly in equity increased by 0.4 billion euros mainly following to the derecognition of unrealised or deferred gains or losses on recyclable items through profit or loss related to the sale of AG insurance.

Minority interests stood at 6.4 billion euros as at 30 June 2026, a slight decrease of (0.1) billion euros compared to 31 December 2025.

Liquidity and solvency

BNP Paribas Fortis' liquidity position remained sound, with a non-consolidated LCR and NSFR for the period ending 30 June 2026 respectively at 130% and 109% (versus 138% and 109% at 31 December 2025).

BNP Paribas Fortis' solvency stood well above the minimum regulatory requirements. At 30 June 2026, BNP Paribas Fortis' Basel III Common Equity Tier 1 ratio (CET1 ratio) stood at 14.0%. Total risk-weighted assets amounted to 187.7 billion euros at 30 June 2026, of which 152.6 billion euros are related to credit risk, 2.1 billion euros to market risk and 22.5 billion euros to operational risk, while counterparty risk, securitisation and equity risk worked out at 1.9 billion euros, 1.6 billion euros and 7.0 billion euros 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 2025 and in the BNP Paribas Fortis Pillar 3 disclosure 2025.

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 6.a 'Contingent liabilities: legal proceedings and arbitration' to the BNP Paribas Fortis interim financial statements for the first half-year of 2026.

Events after the reporting period is described in note 6.j 'Events after the reporting period' to the BNP Paribas Fortis consolidated interim financial statements for the first half-year of 2026.

STATEMENT OF THE BOARD OF DIRECTORS

In accordance with article 13 of the Royal Decree of 14 November 2007, we confirm that, to the best of our knowledge, as at 30 June 2026:

a) the condensed set of financial statements, prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position of BNP Paribas Fortis and the undertakings included in the consolidation as of 30 June 2026 and of the result and cash-flows of the period then ended.

b) the interim management report 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.

c) The Board of Directors reviewed the BNP Paribas Fortis consolidated interim financial statements on 3 September 2026 and authorised their issue.

Brussels, 3 September 2026

The Board of Directors of BNP Paribas Fortis

COMPOSITION OF THE BOARD OF DIRECTORS

As at 30 June 2026, 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

Executive director. Chairman of the Executive Board.
Member of the Board of Directors since 19 April 2018.
The current board member mandate has been renewed on 23 April 2026.
It will expire at the end of the 2030 annual general meeting of shareholders.

BORDENAVE Philippe

Vice-chairman of the Board of Directors. 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.

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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.

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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.

GAVGANI Bernard

Non-executive director.
Member of the Board of Directors since 24 April 2025.
The board member mandate will expire at the end of the 2029 annual general meeting of shareholders.

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 23 April 2026.
The board member mandate will expire at the end of the 2030 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.

RAYS Franciane

Executive director.
Member of the Board of Directors since 24 April 2025.
It will expire at the end of the 2029 annual general meeting of shareholders.

STOCKX Frank

Independent non-executive director.
Member of the Board of Directors since 23 April 2026.
It will expire at the end of the 2030 annual general meeting of shareholders.

VAN HECKE Didier

Executive director.
Member of the Board of Directors since 23 April 2026.
It will expire at the end of the 2030 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 23 April 2026.
It will expire at the end of the 2030 annual general meeting of shareholders.

WILIKENS Sandra

Executive director.
Member of the Board of Directors since 21 April 2022.
The current board member mandate has been renewed on 23 April 2026.
The board member mandate will expire at the end of the 2030 annual general meeting of shareholders.

The BNP Paribas Fortis Board of Directors, which is responsible for setting general policy and supervising the activities of the Executive Board, is currently composed of sixteen (16) directors, of whom ten (10) are non-executive directors (four (4) of them are appointed as independent directors in compliance with the criteria laid down in the Banking Law) and six (6) of them are executive directors.

Accredited Statutory Auditor:

Deloitte Bedrijfsrevisoren BV / Deloitte Réviseurs d'Entreprises SRL, represented in 2026 by Mr. Yves DEHOGNE.

BNP PARIBAS FORTIS CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

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

Profit and loss account for the first half of 2026

In millions of euros	Note	First half 2026	First half 2025
Interest income	2.a	7,759	7,950
Interest expense	2.a	(5,018)	(5,633)
Commission income	2.b	1,506	1,375
Commission expense	2.b	(630)	(563)
Net gain or loss on financial instruments at fair value through profit or loss	2.c	76	142
Net gain or loss on financial instruments at fair value through equity	2.d	4	13
Net gain or loss on the derecognition of financial assets at amortised cost		(2)	(1)
Net income from insurance activities		40	32
Income from other activities	2.e	10,747	10,449
Expense on other activities	2.e	(9,052)	(8,572)
Revenues		**5,430**	**5,192**
Operating expenses	2.f	(2,983)	(2,971)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(223)	(208)
Gross Operating Income		**2,224**	**2,013**
Cost of risk	2.g	(446)	(305)
Operating Income		**1,778**	1,708
Share of earnings of equity-method entities		**76**	221
Net gain on non-current assets	2.h	**452**	(148)
Pre-Tax Income		**2,306**	1,781
Corporate income tax	2.i	**(611)**	(525)
Net income		**1,695**	**1,256**
of which net income attributable to minority interests		*201*	*198*
Net income attributable to equity holders		**1,494**	**1,058**

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

In millions of euros	First half 2026	First half 2025
Net income for the period	**1,695**	**1,256**
Changes in assets and liabilities recognised directly in equity	**790**	**(37)**
Items that are or may be reclassified to profit or loss	**787**	**(25)**
Changes in exchange rate items	244	(113)
Changes in fair value of financial assets at fair value through other comprehensive income		
Changes in fair value recognised in equity	*(19)*	*111*
Changes in fair value reported in net income	*(4)*	*(4)*
Changes in fair value of investments of insurance activities		(1)
Changes in fair value of hedging instruments		
Changes in fair value recognised in equity	*32*	*(28)*
Changes in fair value reported in net income	*()*	*-*
Income tax	(3)	(19)
Changes in equity-method investments	537	29
Items that will not be reclassified to profit or loss	**2**	**(12)**
Changes in fair value of financial assets at fair value through other comprehensive income	**-**	-
Changes in fair value recognised in equity	*()*	*-*
Debt remeasurement effect arising from BNP Paribas Fortis issuer risk	(9)	(1)
Remeasurement gains (losses) related to post-employment benefit plans	15	5
Income tax	(4)	(2)
Changes in equity-method investments	()	(14)
Total	**2,485**	**1,219**
Attributable to equity shareholders	2,165	1,043
Attributable to minority interests	320	176

Balance sheet at 30 June 2026

In millions of euros	Note	30 June 2026	31 December 2025
Assets			
Cash and balances at central banks		33,036	39,306
Financial instruments at fair value through profit or loss		9,464	9,583
Securities	4.a	1,936	1,919
Loans and repurchase agreements	4.a	3,007	2,822
Derivative financial instruments	4.a	4,521	4,842
Derivatives used for hedging purposes		4,461	4,791
Financial assets at fair value through other comprehensive income		14,975	13,821
Debt securities	4.b	*14,821*	*13,667*
Equity securities	4.b	*154*	*154*
Financial assets at amortised cost		270,995	264,158
Loans and advances to credit institutions	4.d	*20,737*	*19,006*
Loans and advances to customers	4.d	*234,576*	*229,988*
Debt securities	4.d	*15,682*	*15,164*
Remeasurement adjustment on interest-rate risk hedged portfolios		(1,105)	(1,043)
Investments and other assets related to insurance activities		592	520
Current and deferred tax assets	4.h	754	698
Accrued income and other assets	4.i	12,333	11,358
Equity-method investments		1,394	1,467
Property, plant and equipment and Investment property	4.j	46,289	45,265
Intangible assets		650	644
Goodwill	4.k	871	868
Non-current assets held for sale		-	766
Total assets		**394,709**	**392,202**
Liabilities			
Deposits from central banks		2,354	2,026
Financial instruments at fair value through profit or loss		16,694	19,503
Securities	4.a	520	*539*
Deposits and repurchase agreements	4.a	5,835	*8,974*
Issued debt securities and subordinated debts	4.a	6,068	*5,460*
Derivative financial instruments	4.a	4,271	*4,530*
Derivatives used for hedging purposes		4,687	5,367
Financial liabilities at amortised cost		317,385	313,791
Deposits from credit institutions	4.f	61,475	*62,290*
Deposits from customers	4.f	229,776	*224,695*
Debt securities	4.g	19,380	*20,057*
Subordinated debt	4.g	6,754	*6,749*
Remeasurement adjustment on interest-rate risk hedged portfolios		(1,889)	(2,255)
Current and deferred tax liabilities	4.h	1,864	1,710
Accrued expenses and other liabilities	4.i	12,093	10,647
Liabilities related to insurance contracts		346	308
Provisions for contingencies and charges	4.l	3,292	3,436
Total liabilities		**356,826**	**354,533**
Equity			
Share capital, additional paid-in capital and retained earnings		31,907	*31,011*
Net income for the period attributable to shareholders		1,494	*2,577*
Total capital, retained earnings and net income for the period attributable to shareholders		33,401	33,588
Changes in assets and liabilities recognised directly in equity		(1,961)	(2,402)
Shareholders' equity		**31,440**	**31,186**
Minority interests	6.c	**6,443**	**6,483**
Total equity		**37,883**	**37,669**
Total liabilities & equity		**394,709**	**392,202**

Cash flow statement for the first half of 30 June 2026

In millions of euros	Note	First half 2026	First half 2025
Pre-tax income		**2,306**	**1,781**
Non-monetary items included in pre-tax net income and other adjustments		**3,039**	**3,038**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,312	2,876
Impairment of goodwill and other non-current assets		-	(6)
Net addition to provisions		391	187
Variation of assets/liabilities related to insurance contracts		55	30
Share of earnings of equity-method entities		(76)	(221)
Net expense (income) from investing activities		(647)	2
Net expense from financing activities		1	1
Other movements		3	169
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		**(10,869)**	**4,248**
Net increase (decrease) in cash related to transactions with customers and credit institutions		(1,671)	9,992
Net decrease in cash related to transactions involving other financial assets and liabilities		(4,564)	(1,242)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(4,222)	(4,221)
Taxes paid		(412)	(281)
Net increase (decrease) in cash and equivalents generated by operating activities		**(5,524)**	**9,067**
Net increase in cash related to acquisitions and disposals of consolidated entities		2,090	143
Net decrease related to property, plant and equipment and intangible assets		(159)	(174)
Net increase (decrease) in cash and equivalents related to investing activities	6.i	**1,931**	**(31)**
Net decrease in cash and equivalents related to transactions with shareholders		(2,281)	(7)
Net decrease in cash and equivalents generated by other financing activities		(2,100)	(629)
Net decrease in cash and equivalents related to financing activities*	6.i	**(4,381)**	**(636)**
Effect of movement in exchange rates on cash and equivalents		**(179)**	**(787)**
Net increase (decrease) in cash and equivalents		**(8,153)**	**7,613**
Balance of cash and equivalent accounts at the start of the period		**38,713**	**25,818**
Cash and amounts due from central banks		39,316	26,553
Due to central banks		(2,026)	(2,020)
On-demand deposits with credit institutions		3,399	3,124
On-demand loans from credit institutions	4.f	(1,884)	(1,690)
Deduction of receivables and accrued interest on cash and equivalents		(92)	(149)
Balance of cash and equivalent accounts at the end of the period		**30,560**	33,431
Cash and amounts due from central banks		33,048	35,285
Due to central banks		(2,354)	(2,021)
On-demand deposits with credit institutions		2,210	2,689
On-demand loans from credit institutions	4.f	(2,245)	(2,391)
Deduction of receivables and accrued interest on cash and equivalents		(99)	(131)
Net increase (decrease) in cash and equivalents		**(8,153)**	**7,613**
Additional information:			
Interest paid		(5,277)	(5,998)
Interest received		7,877	8,018
*Dividend paid/received***		(2,146)	28

** Changes in liabilities arising from financing activities other than those arising from cash flows amount to 118 million euros, due to a) 54 million euros related to the deconsolidation of an entity b) foreign exchange 43 million euros c) reclassifications of 18 million and d) revaluation effect 3 million euros*

*** In 2026, BNP Paribas Fortis paid out a dividend of 2 billion euros linked to the results of the year 2025.*

Statement of changes in shareholders' equity between 31 December 2024 and 30 June 2026

In million 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							
	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	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	Total consolidated equity
Capital and retained earnings at 31 December 2024	**11,905**	**3,500**	**15,799**	**31,204**	252	(2)	(340)	**(90)**	**(1,531)**	**(267)**	**(568)**	**9**	**(2,357)**	**28,757**	**6,050**	**34,807**
Other movements	-	-	(17)	**(17)**	-	-	-	**-**	-	-	-	-	**-**	**(17)**	**(35)**	**(52)**
Share Capital increase and new emissions	-	-	-	**-**	-	-	-	**-**	-	-	-	-	**-**	**-**	**212**	**212**
Dividends	-	-	-	**-**	-	-	-	**-**	-	-	-	-	**-**	**-**	**(202)**	**(202)**
Realised gains or losses reclassified to retained earnings	-	-	6	**6**	(6)	-	-	**(6)**	-	-	-	-	**-**	**-**	**-**	**-**
Changes in assets and liabilities recognised directly in equity	-	-	-	**-**	(20)	-	9	**(11)**	(51)	75	(18)	(10)	**(4)**	**(15)**	**(22)**	**(37)**
Net income for the first half of 2025	**-**	**-**	**1,058**	**1,058**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,058**	**198**	**1,256**
Capital and retained earnings at 30 June 2025	**11,905**	**3,500**	**16,846**	**32,251**	226	(2)	(331)	**(107)**	**(1,582)**	**(192)**	**(586)**	**(1)**	**(2,361)**	**29,783**	**6,201**	**35,984**
Other movements	-	-	(204)	**(204)**	-	-	-	**-**	-	-	-	-	**-**	**(204)**	**(4)**	**(208)**
Share Capital increase and new emissions	-	-	-	**-**	-	-	-	**-**	-	-	-	-	**-**	**-**	**-**	**-**
Dividends	-	-	-	**-**	-	-	-	**-**	-	-	-	-	**-**	**-**	**-**	**-**
Realised gains or losses reclassified to retained earnings	-	-	22	**22**	(22)	-	-	**(22)**	-	-	-	-	**-**	**-**	**-**	**-**
Changes in assets and liabilities recognised directly in equity	-	-	-	**-**	58	(9)	(43)	**6**	(19)	86	11	4	**82**	**88**	**31**	**119**
Net income for the second half of 2025	**-**	**-**	**1,519**	**1,519**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,519**	**255**	**1,774**
Capital and retained earnings at 31 December 2025	**11,905**	**3,500**	**18,183**	**33,588**	**262**	**(11)**	**(374)**	**(123)**	**(1,601)**	**(106)**	**(575)**	**3**	**(2,279)**	**31,186**	**6,483**	**37,669**
Other movements	-	-	90	**90**	-	-	-	**-**	-	-	-	-	**-**	**90**	**(86)**	**4**
Dividends	-	-	(2,001)	**(2,001)**	-	-	-	**-**	-	-	-	-	**-**	**(2,001)**	**(274)**	**(2,275)**
Disposal and loss of control or significant influence operations	-	-	230	**230**	(230)	-	-	**(230)**	-	-	-	-	**-**	**-**	**-**	**-**
Changes in assets and liabilities recognised directly in equity	-	-	-	**-**	-	(7)	10	**3**	98	(14)	567	17	**668**	**671**	**119**	**790**
Net income for the first half of 2026	**-**	**-**	**1,494**	**1,494**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,494**	**201**	**1,695**
Capital and retained earnings at 30 June 2026	**11,905**	**3,500**	**17,996**	**33,401**	**32**	**(18)**	**(364)**	**(350)**	**(1,503)**	**(120)**	**(8)**	**20**	**(1,611)**	**31,440**	**6,443**	**37,883**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

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

1. MATERIAL 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.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim financial Reporting”.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements 2025 of BNP Paribas Fortis.

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2026 had no effect on the financial statements of BNP Paribas Fortis as at 30 June 2026.

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 2025 was optional.

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

Publication of IFRS 18 “Presentation and disclosure in financial statements” in replacement of IAS 1 “Presentation of Financial Statements”.

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:

- the presentation of specific categories (operating, investment and financing) and sub-totals in the statement of profit or loss;
- 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 continued to assess the detailed implications of applying IFRS 18 to the BNP Paribas Fortis consolidated financial statements and does not expect significant changes to the presentation of its profit and loss account. Indeed, most of the elements included in the operating result remain classified as such since the Group’s activity includes providing financing to customer and investing in assets, which meet the definition of specified main business activities. As a result, BNP Paribas Fortis does not expect any significant changes to the presentation of its income statement other than those resulting from the reclassification to operating income of items previously classified under "Net gain on non-current assets" and "Goodwill".

[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*

In addition, regarding the measurement of the BNP Paribas Fortis' performance, with the exception of Revenues and Gross operating income, BNP Paribas Fortis has not identified any other performance indicators in its financial communication that could be identified as MPM.

Meanwhile, BNP Paribas Fortis continues to monitor the discussions and final decisions expected from the IFRS Interpretations Committee (IFRIC).

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.

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, in as much 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.
For transactions resulting in a loss of significant influence, any equity interest retained by the BNP Paribas Fortis is accounted for in accordance with IFRS 9 principles applicable to financial instruments held.

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.

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.

Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss. Likewise, amounts paid to the seller (or to parties related to the seller) that remunerate transactions separate from the business combination are excluded from the acquisition cost. This includes, for example, amounts paid under commercial contracts entered concurrently with the acquisition and that did not pre-exist within the acquired entity. These amounts are recognised separately in accordance with the applicable IFRS standards.

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[2] 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.

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[3] 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.

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.

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[2] *As defined by IAS36*

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

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 BNP Paribas Fortis 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, BNP Paribas Fortis 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 Income and Expenses from 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 income and expense

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 and expenses 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.

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.

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 have a non-significant effect compared to similar financing without this adjustment. 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.

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. From 2024, this specificity no longer applies to most exposures in the Eurozone.

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 Internal Ratings-Based Approach (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. For corporate clients, this LGD is determined considering macroeconomic scenarios.

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. From 31 December 2024, forward looking information specifically takes into account risks related to climate change transition, in particular through the use of long-term scenarios.

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.
- 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 leased asset is initially recognised by the lessor as a tangible asset for its acquisition price less residual value and subsequently depreciated on a straight-line basis over its useful life. The asset depreciation charge and lease payments are recognised in profit and loss over the lease term respectively in "Expense on other activities" and "Income from other activities" line items.

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 Non-current 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 valuation of intangible assets recognised in the context of business combinations;
- the valuation of assets recognised in the context of partnerships and commercial contracts;
- the impairment tests performed on intangible assets, notably goodwill;
- 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 FIRST HALF OF 2026

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.

	First half 2026			First half 2025		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	**6,873**	**(3,820)**	**3,053**	**7,013**	**(4,401)**	**2,612**
Deposits, loans and borrowings	5,533	(2,878)	2,655	5,664	(3,339)	2,325
Repurchase agreements	238	(434)	(196)	285	(440)	(155)
Finance leases	892	(54)	838	841	(49)	792
Debt securities	210	-	210	223	-	223
Issued debt securities and subordinated debts	-	(454)	(454)	-	(573)	(573)
Financial instruments at fair value through equity	**205**	**-**	**205**	**261**	**-**	**261**
Debt securities	205	-	205	261	-	261
Financial instruments at fair value through profit or loss (Trading securities excluded)	**4**	**(67)**	**(63)**	**8**	**(42)**	**(34)**
Cash flow hedge instruments	**282**	**(340)**	**(58)**	**197**	**(235)**	**(38)**
Interest rate portfolio hedge instruments	**395**	**(781)**	**(386)**	**471**	**(946)**	**(475)**
Lease liabilities	**-**	**(10)**	**(10)**	**-**	**(9)**	**(9)**
Net interest income/expense	**7,759**	**(5,018)**	**2,741**	**7,950**	**(5,633)**	**2,317**

Interest income on individually impaired loans amounted to 55 million euros for the first half of 2026, compared with 44 million euros for the first half of 2025.

2.b Commission income and expense

In millions of euros	First half 2026			First half 2025		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	74	(19)	55	67	(22)	45
Securities and derivatives transactions	790	(296)	494	733	(255)	478
Financing and guarantee commitments	93	(12)	81	95	(9)	86
Asset management and other services	379	(4)	375	346	(4)	342
Others	170	(299)	(129)	134	(273)	(139)
Net Commission income/expense	**1,506**	**(630)**	**876**	**1,375**	**(563)**	**812**
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	276	(2)	274	233	(2)	231
Of which commission income and expense on financial instruments not measured at fair value through profit or loss	179	(34)	145	182	(33)	149

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	First half 2026	First half 2025
Trading Book	**6**	**69**
Interest rate and credit instruments	11	71
Equity financial instruments	(11)	(30)
Foreign exchange financial instruments	49	92
Loans and repurchase agreements	(43)	(64)
Other financial instruments	-	-
Financial instruments designated as at fair value through profit or loss	**(16)**	**(35)**
Other financial instruments at fair value through profit and loss	**87**	**108**
Debt instruments	(2)	3
Equity instruments	89	105
Impact of hedge accounting	**(1)**	**-**
Fair value hedging derivatives	316	1,208
Hedged items in fair value hedge	(317)	(1,208)
Net gain or loss on financial instruments at fair value through profit or loss	**76**	**142**

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 for which changes in value may be compensated by changes in the value of economic hedging derivative financial instruments held for trading.

Net gains on the trading book in first halves of 2026 and 2025 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 payment 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 2026 profit and loss account were not material, whether the hedged item ceased to exist or not.

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

In millions of euros	First half 2026	First half 2025
Net gain on debt instruments [(1)]	-	8
Dividend income on equity instruments	4	5
Net gain or loss on financial instruments at fair value through equity	**4**	**13**

[(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 4 million euros for the first half of 2026 compared with 4 million euros for the first half of 2025.

2.e Net income from other activities

	First half 2026			First half 2025		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Net income from investment property	16	(3)	13	15	(3)	12
Net income from assets held under operating leases	10,469	(8,810)	1,659	10,214	(8,393)	1,821
Other net income	262	(239)	23	220	(176)	44
Total net income from other activities	**10,747**	**(9,052)**	**1,695**	**10,449**	**(8,572)**	**1,877**

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), 72% (first half 2025: 45%) of the revenues are attributable to the Lease Contract Margin, 57% (first half 2025: 47%) are attributable to the Lease Services Margin and -30% (first half 2025: 7%) are linked to the result on the cars sales and revaluation.

2.f Other operating expenses

In millions of euros	First half 2026	First half 2025
Salary and employee benefit expenses	(1,635)	(1,585)
External services and other operating expenses	(903)	(851)
Taxes and contributions	(445)	(535)
Other operating expenses	**(2,983)**	**(2,971)**

2.g Cost of risk

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". There are no significant changes in IFRS9 computation methodology, trends and estimates compared to the annual financial statements 2025 of BNP Paribas Fortis.

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

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. These criteria are in line with the recommendations issued by the European Banking Authority (EBA) and the European Central Bank (ECB).

Furthermore, for all portfolios (except for the consumer credit specialist business outside the Eurozone):

- 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 regularised, is considered to be an indication of significant increase in credit risk and the facility is therefore classified in stage 2. Since 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) or, for corporate clients, when the counterparty is placed on credit watchlist.

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 favorable 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 around 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;

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 modelling 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 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 recorded earlier were not observed in the reference history. In this context, the Group has implemented in 2022 an approach projecting the impact of higher interest rates on customers' financial ratios, notably considering their level of indebtedness. Since the end of 2024 and the interest rates' decrease, this mechanism is inactive. This approach has also been used from 2022 to the end of 2025 to anticipate the effect of lower prices of commercial properties. 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.

Baseline scenario

The 2026 growth outlook has been revised downward, as the war in Iran and its ripple effects across oil and gas markets amplify inflationary pressures and introduce fresh risks to economic activity. In the euro area, the pace of growth is now forecast at 0.8% for 2026, after which a more sustained pace is assumed for 2027 and beyond, while the United States is expected to sustain a broadly steady growth rate of about 2% throughout the same horizon. Emerging market prospects are likewise trimmed by the conflict. The Gulf Cooperation Council members are assumed to bear the brunt of the fallout, with Asian economies feeling a milder impact.

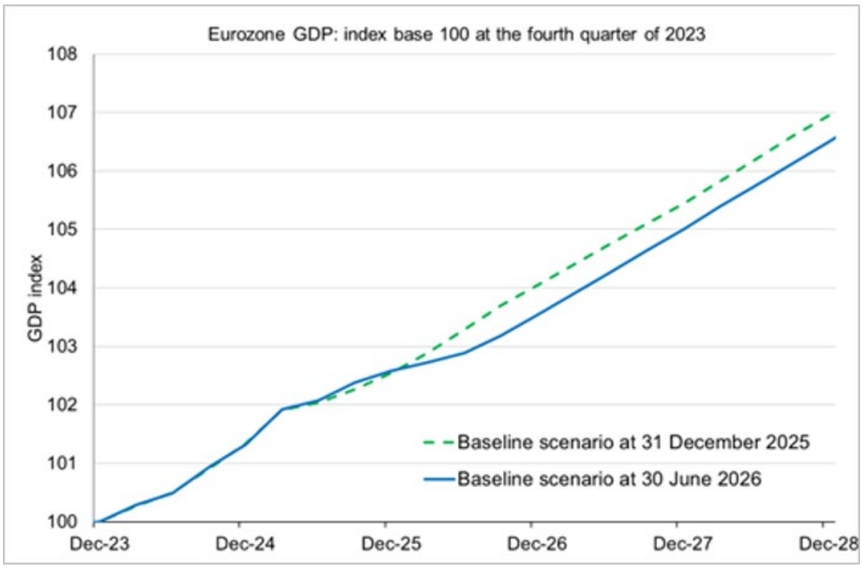
The main transmission channel from the war in Iran to global economic developments is the surge in energy commodity prices. In the baseline scenario, the price of Brent per barrel will peak slightly above USD 100 in the second quarter of 2026, before easing to USD 90 in the third quarter and moving closer to USD 80 in the fourth quarter. This energy shock will lift inflation to 2.8% in the euro area and 3.5% in the United States on average in 2026, before a gradual moderation from 2027 onward.

Responding to the revived inflationary pressures, the ECB is expected to deliver two rate hikes in 2026, while the Federal Reserve in the United States is projected to hold policy steady this year. Both central banks are then anticipated to cut rates in 2027 as inflationary pressures recede.

Long-term interest rates are forecast to remain above their pre-crisis levels for a significant period, with the German Bund and US Treasury bond yields averaging 3.0% and 4.3% respectively in 2026. From mid-2027 onward, as inflation eases and monetary policy becomes more accommodative, these yields would drift modestly lower, stabilising around 2.75% for the Bund and 4.25% for the Treasury. The BTP-Bund spread and OAT-Bund spread are expected to sit above early-2026 levels until mid-2027, after which they should narrow to roughly 80 bp and 75 bp respectively.

In this environment, labour market dynamics may deteriorate in the short term. The unemployment rate is projected to hold steady in the Euro zone through 2026-2027, before slipping thereafter, whereas in the United States it is expected to rise slightly between 2026 and 2028.The uncertainty surrounding this scenario remains significant, mainly in relation to geopolitical tensions.

The graph below presents a comparison of Eurozone GDP projections used in the baseline scenario for the calculation of ECLs on 30 June 2026 and 31 December 2025.



Macroeconomic variables, baseline scenario at 30 June 2026

Annual averages	2025	2026	2027	2028
GDP growth rate				
Eurozone	0.8%	1.0%	1.4%	1.5%
France	1.1%	0.6%	1.2%	1.3%
Italy	0.5%	0.5%	1.2%	1.3%
Belgium	1.0%	0.8%	1.3%	1.5%
United States	2.8%	1.0%	1.0%	1.8%
Unemployment rate				
Eurozone	6.4%	6.5%	6.5%	6.1%
France	7.4%	7.6%	7.6%	7.3%
Italy	6.6%	6.0%	5.9%	5.9%
Belgium	5.7%	6.1%	6.2%	5.9%
United States	4.0%	4.3%	4.8%	4.8%
Inflation rate				
Eurozone	2.4%	1.9%	1.7%	2.0%
France	2.3%	0.9%	1.6%	1.9%
Italy	1.1%	1.8%	1.7%	2.0%
Belgium	4.3%	2.8%	1.8%	2.0%
United States	3.0%	3.3%	3.3%	2.4%
10-year sovereign bond yields				
Germany	2.34%	2.55%	2.50%	2.50%
France	2.97%	3.29%	3.25%	3.25%
Italy	3.71%	3.72%	3.70%	3.70%
Belgium	2.93%	3.14%	3.10%	3.10%
United States	4.21%	4.42%	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:

- Geopolitics. Geopolitical tensions reverberate through commodity prices, supply chain stability and market confidence, simultaneously fuelling inflation and dampening activity. A deeper Middle East flare up, a prolonged closure of the Strait of Hormuz and extensive damage to oil and gas related infrastructure could sharply curtail energy supplies, delivering a sustained shock to the global economy: higher inflation, weaker consumption and investment, reduced output in sectors hit by input disruptions and stock-market correction.
- Trade and geo-economic fragmentation. The shift in US trade policy since 2025 has introduced fresh risks, and the spectre of confrontational trade measures continues to loom. Such restrictions would intensify price pressures, shrink trade volumes and further blunt growth prospects.
- Public finances. Several governments already face a combination of elevated debt levels, high borrowing costs and moderate growth. This environment constrains fiscal space at a time when structural public spending pressures are intensifying (climate transition, defence capabilities, age-related outlays). The energy shock could aggravate the situation by pushing interest rates higher, by weighing on fiscal receipts, and by potentially triggering public-support measures.
- Financial fragilities. Financial risks are fuelled by several developments, notably the high level of some market valuations and the more significant role played in the financial system by non-bank financial institutions, making it more difficult to measure the actual fragilities of the system. Under these conditions, a significant market correction could occur in the event of unfavorable developments.
- Climate events and policies. Climate change-related and nature degradation developments can generate adverse shocks through various channels. Extreme weather events can disrupt production and demand locally and trigger difficulties in supply chains in other regions, thus exerting upward pressure on prices. Transition policies, by increasing costs, can negatively affect business activity and domestic demand, being particularly harmful to high-emission sectors.

The adverse and severe scenarios assume the materialisation of these risks starting from the third quarter of 2026. Repercussions are assumed to be significantly more pronounced in the severe scenario due to more significant direct shocks and the development of a negative spiral among the main factors (activity, public debt, bond yields). The deterioration in activity drives unemployment rates to significantly higher levels. Inflation is higher than in the baseline scenario in the first part of the projection horizon, reflecting pressure from commodity prices, trade tariffs, and disruptions in supply chains; in a second phase, inflation decreases in most countries, reflecting the impacts of the recession. Central banks are therefore generally assumed to tighten monetary policy during the first part of the projection horizon, when inflation dynamics dominate, before shifting to a more accommodative stance from the second half of 2027, when the priority turns to supporting activity. Reflecting central banks' actions, the German and US bond yields are higher than in the baseline scenario over the first part of the projection horizon, before getting more moderate in the second part. Sovereign bond spreads are significantly higher in the adverse and severely scenarios. Stock market indices fall sharply over the first four quarters of the projection horizon.

Among the considered countries, GDP levels in the adverse scenario stand between 6.8% and 15.6% lower than in the baseline scenario at the end of the shock period. This deviation reaches 8.4% in the Euro zone and 7.1% in the United States. In the severe scenario, GDP levels stand between 8.8% and 19.8% lower than in the baseline scenario at the end of the shock period. This deviation reaches 10.8% in the Euro zone and 9.2% in the United States.

Scenario weighting and cost of risk sensitivity:

At 30 June 2026, the weight of the favourable scenario considered by the bank was 29,6%, and 18,5% for the adverse scenario and 2% for the severe scenario. At 31 December 2025, the weight of the favourable scenario was 28%, 20% for the adverse scenario and 2% for the severe scenario.

The sensitivity of the amount of expected credit losses in stage 1 and stage 2 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 33%, or 186 million euros according to a weighting at 100% of the adverse scenario (29% as at 31 December 2025);
- a decrease in ECL of (19)%, or (108) million euros according to a weighting at 100% of the favorable scenario ((21)% as at 31 December 2025).

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	First half 2026	First half 2025
Net allowances to impairment	(440)	(293)
Recoveries on loans and receivables previously written off	24	23
Losses on irrecoverable loans	(30)	(35)
Total cost of risk for the period	**(446)**	**(305)**

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

In millions of euros	First half 2026	First half 2025
Cash and balances at central banks	-	(1)
Financial instruments at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	3	-
Financial assets at amortised cost	(426)	(292)
of which loans and receivables	*(426)*	*(292)*
of which debt securities	-	-
Other assets	(1)	(3)
Financing and guarantee commitments and other items	(22)	(9)
Total cost of risk for the period	**(446)**	**(305)**
Cost of risk on unimpaired assets and commitments	(31)	(31)
of which Stage 1	*6*	*(20)*
of which Stage 2	*(37)*	*(11)*
Cost of risk on impaired assets and commitments - Stage 3	(415)	(274)

Credit risk impairment

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

In millions of euros	31 December 2025	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other items	30 June 2026
Assets impairment					
Amounts due from central banks	12	-	-	-	12
Financial instruments at fair value through profit or loss	5	-	-	-	5
Financial assets at fair value through other comprehensive income	14	(4)	-	-	10
Financial assets at amortised cost	3,352	424	(264)	(4)	3,508
of which loans and receivables	*3,347*	*424*	*(264)*	*(4)*	*3,503*
of which debt securities	*5*	-	-	-	*5*
Other assets	15	(1)	-	-	14
Total impairment of financial assets	**3,398**	**419**	**(264)**	**(4)**	**3,549**
of which Stage 1	*348*	*(13)*	-	*1*	*336*
of which Stage 2	*305*	*30*	*(1)*	*(4)*	*330*
of which Stage 3	*2,744*	*402*	*(263)*	*(1)*	*2,882*
Provisions recognised as liabilities					
Provisions for commitments	125	17	-	(1)	141
Other provisions	41	4	-	-	45
Total provisions recognised for credit commitments	**166**	**21**	**-**	**(1)**	**186**
of which Stage 1	*44*	*4*	-	-	*48*
of which Stage 2	*19*	*8*	-	-	*27*
of which Stage 3	*103*	*9*	-	-	*112*
Total impairment and provisions	**3,564**	**440**	**(264)**	**(5)**	**3,735**

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

In millions of euros	31 December 2024	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other items	30 June 2025
Assets impairment					
Amounts due from central banks	13	1	-	(1)	14
Financial instruments at fair value through profit or loss	6	-	-	-	6
Financial assets at fair value through other comprehensive income	14	-	-	(1)	13
Financial assets at amortised cost	3,252	283	(167)	(90)	3,279
of which loans and receivables	*3,249*	*283*	*(167)*	*(89)*	*3,276*
of which debt securities	*3*	*-*	*-*	*(1)*	*3*
Other assets	13	2	-	-	15
Total impairment of financial assets	**3,298**	**286**	**(167)**	**(92)**	**3,327**
of which Stage 1	*373*	*15*	*-*	*(12)*	*377*
of which Stage 2	*344*	*13*	*-*	*(17)*	*340*
of which Stage 3	*2,581*	*258*	*(167)*	*(63)*	*2,610*
Provisions recognised as liabilities					
Provisions for commitments	153	4	-	(9)	148
Other provisions	36	3	-	-	39
Total provisions recognised for credit commitments	**189**	**7**	**-**	**(9)**	**187**
of which Stage 1	*48*	*7*	*-*	*(4)*	*49*
of which Stage 2	*31*	*(2)*	*-*	*(2)*	*30*
of which Stage 3	*110*	*2*	*-*	*(3)*	*108*
Total impairment and provisions	**3,487**	**293**	**(167)**	**(101)**	**3,514**

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 of amortised cost financial assets during the period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2025	**335**	**294**	**2,723**	**3,352**
Net allowances to impairment	**(11)**	**32**	**403**	**424**
Financial assets purchased or originated during the period	89	57	-	146
Financial assets derecognised during the period (1)	(25)	(49)	(120)	(194)
Transfer to Stage 2	(37)	207	(16)	154
Transfer to Stage 3	(3)	(98)	358	257
Transfer to Stage 1	19	(85)	(12)	(77)
Other allowances/reversals without stage transfer (2)	(54)	-	193	138
Impairment provisions used	**-**	**(1)**	**(263)**	**(264)**
Effect of exchange rate movements and other items	**(1)**	**(4)**	**-**	**(5)**
At 30 June 2026	**323**	**321**	**2,863**	**3,507**

(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 (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2024	**356**	**334**	**2,562**	**3,252**
Net allowances to impairment	**14**	**11**	**257**	**283**
Financial assets purchased or originated during the period	88	38	-	127
Financial assets derecognised during the period (1)	(20)	(26)	(105)	(152)
Transfer to Stage 2	(21)	147	(23)	103
Transfer to Stage 3	(6)	(53)	273	215
Transfer to Stage 1	10	(58)	(5)	(53)
Other allowances/reversals without stage transfer (2)	(37)	(37)	117	43
Impairment provisions used	**-**	**-**	**(166)**	**(167)**
Effect of exchange rate movements and other items	**(10)**	**(16)**	**(63)**	**(89)**
At 30 June 2025	**360**	**329**	**2,590**	**3,279**

(1) Including disposals

(2) Including amortisation

2.h Net gain on non-current assets

In millions of euros	First half 2026	First half 2025
Net gain on investments in consolidated undertakings	642	(1)
Net gain on tangible and intangible assets	5	-
Results from monetary positions	(195)	(147)
Net gain on non-current assets	**452**	**(148)**

Following the signature on 7 December 2025 of a framework agreement between the BNP Paribas and Ageas Group, BNP Paribas Fortis sold at 29th of April 2026 its 25% stake in AG Insurance for a total amount of 1.9 billion euros, to be compared with an adjusted net equity of 1,3 billion euros at the moment of the transaction. This adjusted net equity includes the recycling via P&L of the debt investments measured at FVOCI for an amount of (546) million euros. The gain from the sale of this participation therefore amounted to +636 million euros and is included in the line Net gain on investments in consolidated undertakings.

According to IAS 29 in connection with the hyperinflation situation of the economy in Turkey, the line “Results from net 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 ((285) million euros) and on accrued income from the Turkish government bonds portfolio indexed to inflation and held by Turk Ekonomi Bankasi AS (+90 million euros, reclassified from interest margin) during the first half 2026 (respectively (245) million euros and +98 million euros during the first half of 2025). The average inflation (CPI) in Turkey amounts to 31,3 for 2026 (based on baseline scenario estimations) compared to 35,2 for 2025.

2.i Corporate income tax

In million of euros	First half 2026	First half 2025
Net current tax expense	(709)	(472)
Net deferred tax expense	98	(53)
Corporate income tax expense	**(611)**	**(525)**

3. SEGMENT INFORMATION

3.a Operating segments

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 239 branches, plus other channels such as ATMs (through the Batopin network) 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 64 countries and territories, 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 28 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 Bank Polska and Cardif Lux Vie.

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).

The 30.9% interest of BNP Paribas Fortis in BNP Asset Management Holding was sold to BNP Paribas SA on 2 July 2025. The last remaining foreign branch of BNP Paribas Fortis, located in New York, was liquidated in the last quarter of 2025 and all operations were terminated by the end of the first quarter of 2026. In December 2025 BNP Paribas Fortis reached an agreement to sell its 25% share in AG Insurance to the Ageas Group. This sale was concluded in the second quarter of 2026.

3.b Information by operating segment

Income and expense by operating segment

In millions of euros	First half 2026						First half 2025					
	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	620	88	157	35	(24)	876	580	91	136	30	(22)	812
Net Interest income & other revenues	1,910	425	611	1,319	289	4,554	1,672	391	455	1,591	269	4,380
Revenues	**2,531**	**513**	**768**	**1,353**	**265**	**5,430**	**2,252**	**482**	**591**	**1,621**	**247**	**5,192**
Operating expense (including depreciation)	(1,625)	(227)	(419)	(811)	(124)	(3,206)	(1,693)	(221)	(361)	(790)	(115)	(3,179)
Cost of risk	(104)	(15)	(116)	(105)	(106)	(446)	(12)	(5)	(99)	(105)	(83)	(305)
Operating Income	**802**	**271**	**232**	**437**	**36**	**1,778**	**547**	**256**	**131**	**726**	**49**	**1,708**
Share of earnings of equity-method entities	4	-	(1)	6	67	76	21	-	1	3	195	221
Non-operating items	641	-	(138)	(51)	-	452	(3)	-	(92)	(54)	-	(148)
Pre-tax income	**1,447**	**272**	**94**	**391**	**102**	**2,306**	**566**	**256**	**40**	**675**	**244**	**1,781**

Assets and liabilities by operating segment

In millions of euros	30 June 2026						31 December 2025					
	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	240,965	34,248	17,723	82,262	19,511	394,709	241,407	33,856	16,994	81,215	18,730	392,202
of which investments in associates and Joint ventures	*51*	*11*	*3*	*113*	*1,216*	***1,394***	*75*	*11*	*4*	*108*	*1,270*	***1,467***
Liabilities	219,724	27,615	16,199	75,201	18,087	356,826	221,395	27,214	15,570	73,658	16,697	354,533

Within the operating segment 'Arval and Leasing Solutions', 63% of the assets at 30 June 2026 are linked to the vehicle lease activity (operational lease), while 37% is linked to the financial lease of professional equipment (compared to respectively 62% and 38% at 31 December 2025).

4. NOTES TO THE BALANCE SHEET AT 30 JUNE 2026

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.

	30 June 2026				31 December 2025			
In millions of euros	Financial instruments held for trading	Financial instruments designated as at fair value through profit and loss	Financial assets mandatorily at fair value through profit and loss	Total	Financial instruments held for trading	Financial instruments designated as at fair value through profit and loss	Financial assets Mandatorily at fair value through profit and loss	Total
Securities	523	-	1,413	1,936	567	-	1,352	1,919
Loans and repurchase agreements	2,932	-	74	3,007	2,728	-	94	2,822
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**3,455**	**-**	**1,487**	**4,943**	**3,295**	**-**	**1,446**	**4,741**
Securities	520	-	-	520	539	-	-	539
Deposits and repurchase agreements	5,739	95	-	5,835	8,872	102	-	8,974
Issued debt securities (note 4.g)	-	6,068	-	6,068	-	5,460	-	5,460
Of which subordinated debt	-	*820*	-	*820*	-	*821*	-	*821*
Of which non subordinated debt	-	*5,248*	-	*5,248*	-	*4,639*	-	*4,639*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**6,259**	**6,163**	**-**	**12,423**	**9,411**	**5,562**	**-**	**14,973**

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

Financial liabilities designated as at fair value through profit or loss

Financial liabilities designated as 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 30 June 2026 was 6,135 million euros (5,561 million euros at 31 December 2025).

Financial assets Mandatorily at fair value through profit or loss

Financial assets Mandatorily 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.

	30 June 2026		31 December 2025	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	3,010	3,313	3,374	3,607
Foreign exchange derivatives	1,064	952	996	915
Credit derivatives	12	5	8	5
Equity derivatives	435	1	464	3
Other derivatives	-	-	-	-
Derivative financial instruments	**4,521**	**4,271**	**4,842**	**4,530**

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.

	30 June 2026				31 December 2025			
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	41,204	86,334	192,132	319,670	42,057	61,316	189,031	292,404
Foreign exchange derivatives	581	-	84,924	85,505	448	-	83,806	84,254
Credit derivatives	-	-	791	791	-	-	791	791
Equity derivatives	-	-	435	435	-	-	507	507
Other derivatives	-	-	-	-	-	-	-	-
Derivative financial instruments	**41,785**	**86,334**	**278,282**	**406,401**	**42,505**	**61,316**	**274,135**	**377,956**

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

In millions of euros	30 June 2026		31 December 2025	
	Fair value	of which changes in value recognised directly to equity	Fair value	of which changes in value recognised directly to equity
Debt securities	**14,821**	**(163)**	**13,667**	**(145)**
Governments	5,755	(119)	4,953	(91)
Other public administrations	5,146	(39)	4,801	(43)
Credit institutions	3,729	6	3,704	(1)
Other	192	(10)	210	(10)
Equity securities	**154**	**116**	**154**	**117**
Total financial assets at fair value through Other Comprehensive Income	**14,975**	**(47)**	**13,821**	**(28)**

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.

4.c Measurement of the fair value of financial instruments

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". There are no changes in the valuation processes, methodologies, and estimates compared to the annual financial statements 2025 of BNP Paribas Fortis.

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 judgmental 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 behavior 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 collateralized 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 has increased by 23 million euros at 30 June 2026, compared with an decrease in value of 14 million euros at 31 December 2025, i.e. a 9 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.

	30 June 2026											
	Trading Book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through Other Comprehensive Income			
In millions of euros	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**416**	**101**	**5**	**522**	**252**	**43**	**1,119**	**1,414**	**14,750**	**212**	**13**	**14,975**
Governments	371	22	5	398	-	-	-	-	5,727	14	-	5,741
Asset Backed Securities	-	-	-	-	-	36	-	36	-	185	-	185
CDOs / CLOs [(1)]	-	-	-	-	-	-	-	-	-	-	-	-
Other Asset Backed Securities	-	-	-	-	-	36	-	36	-	185	-	185
Other debt securities	45	79	-	124	-	(1)	125	124	8,875	13	7	8,895
Equities and other equity securities	-	-	-	-	252	8	994	1,254	148	-	6	154
Loans and repurchase agreements	**-**	**2,595**	**338**	**2,933**	**-**	**13**	**61**	**74**	**-**	**-**	**-**	**-**
Loans	-	-	-	-	-	13	61	74	-	-	-	-
Repurchase agreements	-	2,595	338	2,933	-	-	-	-	-	-	-	-
Financial assets at fair value	**416**	**2,696**	**343**	**3,455**	**252**	**56**	**1,180**	**1,487**	**14,750**	**212**	**13**	**14,975**
Securities	**520**	**-**	**-**	**520**	**-**	**-**	**-**	**-**				
Governments	414	-	-	414	-	-	-	-				
Other debt securities	106	-	-	106	-	-	-	-				
Equities and other equity securities	-	-	-	-	-	-	-	-				
Borrowings and repurchase agreements	**-**	**5,462**	**277**	**5,739**	**-**	**95**	**-**	**95**				
Borrowings	-	-	-	-	-	95	-	95				
Repurchase agreements	-	5,462	277	5,739	-	-	-	-				
Issued debt securities *(Note 4.g)*	**-**	**-**	**-**	**-**	**801**	**5,062**	**205**	**6,068**				
Subordinated debt *(Note 4.g)*	-	-	-	-	801	19	-	820				
Non subordinated debt *(Note 4.g)*	-	-	-	-	-	5,043	205	5,248				
Financial liabilities at fair value	**520**	**5,462**	**277**	**6,259**	**801**	**5,157**	**205**	**6,163**				

	31 December 2025											
	Trading Book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through Other Comprehensive Income			
In millions of euros	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**508**	**59**	**-**	**567**	**215**	**44**	**1,093**	**1,352**	**13,500**	**245**	**76**	**13,821**
Governments	450	-	-	**450**	-	-	-	**-**	4,935	8	-	**4,943**
Asset Backed Securities	-	-	-	**-**	-	38	-	**38**	-	202	-	**202**
Other debt securities	58	59	-	**117**	-	(2)	124	**122**	8,417	35	70	**8,522**
Equities and other equity securities	-	-	-	**-**	215	8	969	**1,192**	148	-	6	**154**
Loans and repurchase agreements	**-**	**2,728**	**-**	**2,728**	**-**	**26**	**68**	**94**	**-**	**-**	**-**	**-**
Loans	-	-	-	**-**	-	26	68	**94**	-	-	-	**-**
Repurchase agreements	-	2,728	-	**2,728**	-	-	-	**-**	-	-	-	**-**
Financial assets at fair value	**508**	**2,787**	**-**	**3,295**	**215**	**70**	**1,161**	**1,446**	**13,500**	**245**	**76**	**13,821**
Securities	**539**	**-**	**-**	**539**	**-**	**-**	**-**	**-**				
Governments	446	-	-	**446**	-	-	-	**-**				
Other debt securities	93	-	-	**93**	-	-	-	**-**				
Equities and other equity securities	-	-	-	**-**	-	-	-	**-**				
Borrowings and repurchase agreements	**-**	**8,872**	**-**	**8,872**	**-**	**102**	**-**	**102**				
Borrowings	-	-	-	**-**	-	102	-	**102**				
Repurchase agreements	-	8,872	-	**8,872**	-	-	-	**-**				
Issued debt securities (Note 4.g)	**-**	**-**	**-**	**-**	**802**	**4,581**	**77**	**5,460**				
Subordinated debt (Note 4.g)	-	-	-	**-**	802	19	-	**821**				
Non subordinated debt (Note 4.g)	-	-	-	**-**	-	4,562	77	**4,639**				
Financial liabilities at fair value	**539**	**8,872**	**-**	**9,411**	**802**	**4,683**	**77**	**5,562**				

In millions of euros	30 June 2026							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	268	2,610	132	**3,010**	318	2,890	105	**3,313**
Foreign exchange derivatives	-	1,064	-	**1,064**	-	948	4	**952**
Credit derivatives	-	12	-	**12**	-	5	-	**5**
Equity derivatives	-	435	-	**435**	-	1	-	**1**
Other derivatives	-	-	-	**-**	-	-	-	**-**
Derivative financial instruments not used for hedging purposes	**268**	**4,121**	**132**	**4,521**	**318**	**3,844**	**109**	**4,271**
Derivative financial instruments used for hedging purposes	**-**	**4,461**	**-**	**4,461**	**-**	**4,687**	**-**	**4,687**

In millions of euros	31 December 2025							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	298	2,941	135	**3,374**	346	3,166	95	**3,607**
Foreign exchange derivatives	-	996	-	**996**	-	912	3	**915**
Credit derivatives	-	8	-	**8**	-	5	-	**5**
Equity derivatives	-	465	(1)	**464**	-	3	-	**3**
Other derivatives	-	-	-	**-**	-	-	-	**-**
Derivative financial instruments not used for hedging purposes	**298**	**4,410**	**134**	**4,842**	**346**	**4,086**	**98**	**4,530**
Derivative financial instruments used for hedging purposes	**-**	**4,791**	**-**	**4,791**	**-**	**5,367**	**-**	**5,367**

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.

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 the 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, short selling 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.

Loans classified as Level 2 are those traded on the secondary market or on the lending/borrowing market, and whose liquidity, assessed on the basis of external indicators, is lower than that of the Level 1 loans.

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.

Loans and fixed-income securities classified as Level 3 are those with the lowest level of liquidity, based on external indicators.

Repurchase agreements: mainly long-term or structured repurchase agreements on corporate bonds and ABS: 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 the 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 CDOs*** 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 these of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Unobservable parameters used for the valuation of Level 3 financial instruments

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. 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) Asset	Liability	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
Interest rate derivatives	132	105	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 55%	40% (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 61%	34%
			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% to 9.1%	(b)
					Volatility of the year-on-year inflation rate	0.3% to 2.1%	
			Forward volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.4% to 0.7%	(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%	4.3% (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 between 31 December 2025 and 30 June 2026:

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 2025	**134**	**1,161**	**76**	**1,371**	**98**	**77**	**175**
Purchases	-	65	1	**66**	-	-	**-**
Issues	-	-	-	**-**	-	25	**25**
Sales	4	(75)	-	**(71)**	-	-	**-**
Settlements [1]	(10)	(5)	(50)	**(65)**	278	(15)	**263**
Transfers to Level 3	344	-	-	**344**	5	112	**117**
Transfers from Level 3	-	-	-	**-**	-	-	**-**
Gains or (losses) recognised in profit or loss with respect to transactions expired or terminated during the period	-	39	(14)	**25**	-	6	**6**
Gains or (losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	3	-	-	**3**	5	-	**5**
Changes in fair value of assets and liabilities recognised directly in equity	-	-	-	**-**	-	-	**-**
Items related to exchange rate movements	-	(5)	-	**(5)**	-	-	**-**
Changes in assets and liabilities recognised in equity	-	-	-	**-**	-	-	**-**
At 30 June 2026	**475**	**1,180**	**13**	**1,668**	**386**	**205**	**591**

[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. During the first half of 2026, the update of the observability methodology resulted in the reclassification from Level 2 to Level 3 of EUR 0.3 bn in carrying amount of reverse repurchase agreement transactions on the asset side and EUR 0.3 bn in carrying amount of repurchase agreement transactions on the liability side.

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 summarise 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.

In millions of euros	30 June 2026		31 December 2025	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Debt securities	+/-1	+/-0	+/-1	+/-1
Equities and other equity securities	+/-10	+/-0	+/-10	+/-0
Loans and repurchase agreements	+/-2		+/-1	
Sensitivity of Level 3 financial instruments	**+/-13**	**+/-0**	**+/-12**	**+/-0**

In millions of euros	30 June 2026		31 December 2025	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Interest rate and foreign exchange derivatives	*+/-4*	+/-0	*+/-4*	+/-0
Credit derivatives	*+/-0*	+/-0	*+/-0*	+/-0
Equity derivatives	*+/-0*	+/-0	*+/-0*	+/-0
Other derivatives	*+/-0*	+/-0	*+/-0*	+/-0
Sensitivity of Level 3 derivative financial instruments	**+/-4**	**+/-0**	**+/-4**	**+/-0**

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.

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 to 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.d Financial assets at amortised cost

Detail of loans and advances by nature

In millions of euros	30 June 2026			31 December 2025		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Loans and advances to credit institutions	**20,792**	**(55)**	**20,737**	**19,060**	**(54)**	**19,006**
On demand accounts	2,060	-	2,060	3,276	-	3,276
Loans [1]	1,392	(55)	1,337	969	(54)	915
Repurchase agreements	17,340	-	17,340	14,815	-	14,815
Loans and advances to customers	**238,024**	**(3,448)**	**234,576**	**233,281**	**(3,293)**	**229,988**
On demand accounts	5,587	(621)	4,966	4,504	(600)	3,904
Loans to customers	207,005	(2,165)	204,840	203,793	(2,044)	201,749
Finance leases	25,416	(662)	24,754	24,574	(649)	23,925
Repurchase agreements	16	-	16	410	-	410
Total loans and advances at amortised cost	**258,816**	**(3,503)**	**255,313**	**252,341**	**(3,347)**	**248,994**

(1) Loans and advances to credit institutions include term deposits made with central banks

Detail of debt securities by type of issuer

In millions of euros	30 June 2026			31 December 2025		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Governments	10,371	(3)	10,368	10,380	(2)	10,378
Other public administrations	3,856	-	3,856	3,342	-	3,342
Credit institutions	1,440	-	1,440	1,423	-	1,423
Other	20	(2)	18	23	(3)	20
Total debt securities at amortised cost	**15,686**	**(5)**	**15,682**	**15,168**	**(5)**	**15,164**

Detail of financial assets at amortised cost by stage

In millions of euros	30 June 2026			31 December 2025		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Loans and advances to credit institutions	**20,792**	**(55)**	**20,737**	**19,060**	**(54)**	**19,006**
Stage 1	20,680	(2)	20,678	18,978	(2)	18,976
Stage 2	58	(1)	57	29	(1)	28
Stage 3	54	(52)	2	53	(51)	2
Loans and advances to customers	**238,024**	**(3,448)**	**234,576**	**233,281**	**(3,293)**	**229,988**
Stage 1	213,247	(319)	212,929	212,553	(330)	212,222
Stage 2	17,828	(321)	17,507	14,656	(293)	14,364
Stage 3	6,949	(2,808)	4,141	6,072	(2,670)	3,402
Debt securities	**15,686**	**(5)**	**15,682**	**15,168**	**(5)**	**15,164**
Stage 1	15,684	(3)	15,681	15,166	(3)	15,164
Stage 2	-	-	-	-	-	-
Stage 3	2	(2)	-	2	(2)	-
Total financial assets at amortised cost	**274,502**	**(3,508)**	**270,995**	**267,509**	**(3,352)**	**264,158**

4.e 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.

In millions of euros	30 June 2026			
	Stage 3 assets			Collateral received
	Gross value	Impairment	Net	
Loans and advances to credit institutions (note 4.d)	54	(52)	2	-
Loans and advances to customers (note 4.d)	6,949	(2,808)	4,141	3,019
Debt securities at amortised cost (note 4.d)	2	(2)	-	-
Total amortised cost impaired assets (Stage 3)	**7,005**	**(2,862)**	**4,143**	**3,019**
Financing commitments given	239	(3)	236	103
Guarantee commitments given	230	(63)	167	84
Total off-balance sheet impaired commitments (Stage 3)	**469**	**(66)**	**403**	**187**

In millions of euros	31 December 2025			
	Stage 3 assets			Collateral received
	Gross value	Impairment	Net	
Loans and advances to credit institutions (note4.d)	53	(51)	2	-
Loans and advances to customers (note 4.d)	6,072	(2,670)	3,402	2,422
Debt securities at amortised cost (note 4.d)	2	(2)	-	-
Total amortised cost impaired assets (Stage 3)	**6,127**	**(2,723)**	**3,404**	**2,422**
Financing commitments given	157	(3)	154	72
Guarantee commitments given	195	(59)	136	90
Total off-balance sheet impaired commitments (Stage 3)	**352**	**(62)**	**290**	**162**

Gross value Impaired financial assets (Stage 3) *In millions of euros*	First half 2026	First half 2025
Opening balance	**6,127**	**5,816**
Transfer to Stage 3	1,851	1,071
Transfer to Stage 1 or Stage 2	(249)	(318)
Amounts Written off	(288)	(197)
Other changes	(436)	(538)
Closing balance	**7,005**	**5,834**

4.f Financial liabilities at amortised cost due to credit institutions and customers

In millions of euros	30 June 2026	31 December 2025
Deposits from credit institutions	**61,475**	**62,290**
On demand accounts	2,245	1,884
Interbank borrowings (1)	41,583	45,231
Repurchase agreements	17,647	15,175
Deposits from customers	**229,776**	**224,695**
On demand deposits	82,021	82,494
Savings accounts	94,520	94,370
Term accounts and short-term notes	36,288	32,329
Repurchase agreements	16,947	15,502

(1) Interbank borrowings from credit institutions include term borrowings from central banks.

4.g Debt securities and subordinated debt

This note covers all issued debt securities and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

Debt securities measured at amortised cost

In millions of euros	30 June 2026	31 December 2025
Negotiable certificates of deposit and other debt securities	5,822	5,289
Issued bonds	8,878	11,016
Saving certificates	4,680	3,752
Total debt securities at amortised cost	**19,380**	**20,057**

Debt securities and subordinated debt designated at fair value through profit and loss

In millions of euros	30 June 2026	31 December 2025
Debt securities	5,248	4,639
Subordinated debt	820	821
Total debt securities and subordinated debt at fair value through profit or loss	**6,068**	**5,460**

Subordinated debt measured at amortised cost

In millions of euros	30 June 2026	31 December 2025
Redeemable subordinated debt	6,492	6,491
Undated subordinated debt	262	258
Total subordinated debt measured at amortised cost	**6,754**	**6,749**

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 EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 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 EUR 831.5 million as of 30 June 2026 and as of 31 December 2025 respectively.

4.h Current and deferred taxes

In millions of euros	30 June 2026	31 December 2025
Current taxes	96	161
Deferred taxes	658	537
Current and deferred tax assets	**754**	**698**
Current taxes	465	339
Deferred taxes	1,399	1,371
Current and deferred tax liabilities	**1,864**	**1,710**

4.i Accrued income/expense and other assets/liabilities

In millions of euros	30 June 2026	31 December 2025
Guarantee deposits and bank guarantees paid	2,143	2,135
Collection accounts	41	69
Accrued income and prepaid expenses	2,206	1,807
Other debtors and miscellaneous assets	7,943	7,347
Total accrued income and other assets	**12,333**	**11,358**
Guarantee deposits received	1,120	811
Collection accounts	707	614
Accrued expense and deferred income	2,472	2,386
Lease liabilities	256	262
Other creditors and miscellaneous liabilities	7,538	6,574
Total accrued expense and other liabilities	**12,093**	**10,647**

Other debtors and miscellaneous assets mainly include:

- assets of the employee benefit plans for 2.3 billion euros (2.4 billion euros in 2025);
- transitory accounts for 1.4 billion euros (1.4 billion euros in 2025);
- inventory of cars 1.2 billion euros (1 billion euros in 2025);
- other prepaid and accrued income 1.4 billion euros (1.2 billion euros in 2025).

Other creditors and miscellaneous liabilities mainly include:

- other accruals, deferred charges and other creditors amounting to 4.3 billion euros (4.0 billion in 2025) mainly related to transitory accounts of operations in banking activities in Belgium, Turkey (lending activities, settlements of transactions and international payments) and Arval & Leasing solutions;
- other creditors mainly related to amounts to be paid to suppliers amounting to 1.2 billion euros (1.0 billion euros in 2025).

4.j Property, plant, equipment and intangible assets used in operations, investment property

	30 June 2026			31 December 2025		
In millions of euros	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**220**	**(117)**	**103**	**233**	**(124)**	**109**
Land and buildings	2,596	(1,521)	1,075	2,632	(1,540)	1,092
Equipment, furniture and fixtures	807	(625)	182	771	(583)	188
Plant and equipment leased as lessor under operating leases	57,746	(13,338)	44,408	55,721	(12,385)	43,335
Other property, plant and equipment	698	(175)	523	717	(176)	541
Property, plant and equipment	**61,847**	**(15,659)**	**46,186**	**59,841**	**(14,684)**	**45,156**
of which right of use	***693***	***(459)***	***234***	***722***	***(480)***	***242***
Purchased software	516	(404)	112	475	(366)	109
Internally-developed software	1,420	(906)	514	1,338	(828)	510
Other intangible assets	56	(32)	24	55	(30)	25
Intangible assets	**1,992**	**(1,342)**	**650**	**1,868**	**(1,224)**	**644**

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 30 June 2026 is 172 million euros, compared with 272 million euros for the year ended 31 December 2025.

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	30 June 2026	31 December 2025
Future minimum lease payments receivable under non-cancellable leases	**12,976**	**13,424**
Payments receivable within 1 year	5,537	5,637
Payments receivable after 1 year but within 5 years	7,409	7,749
Payments receivable beyond 5 years	30	38

Future minimum lease payments receivable under non-cancellable leases are payments that the lessee is required to make during the lease term.

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 period to 30 June 2026 was 223 million euros, compared with 208 million euros for the period to 30 June 2025.

4.k Goodwill

In millions of euros	30 June 2026
Carrying amount at start of period	**868**
Acquisitions	-
Divestments	-
Impairment recognised during the period	-
Exchange rate adjustments	3
Other movements	-
Carrying amount at end of period	**871**
Gross value	987
Accumulated impairment recognised at the end of period	(116)

Goodwill by cash generating units is as follows:

In millions of euros	Carrying amount		Impairment recognised during the period	Acquisitions of the period
	30 June 2026	31 December 2025	First half 2026	First half 2026
Alpha Credit	*22*	*22*	-	-
CPBB	*34*	*34*	-	-
BNP Paribas Leasing Solutions	*145*	*145*	-	-
Wealth Management Luxembourg	*38*	*38*	-	-
Arval	*632*	*630*	-	-
Total goodwill	**871**	**868**	**-**	**-**

4.l Provisions for contingencies and charges

In millions of euros	31 December 2025	Net additions to provisions	Use / Reversal of provisions	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2026
Provisions for employee benefits	2,772	76	(109)	(84)	(1)	2,654
Provisions for home savings accounts and plans	-	-	-	-	-	-
Provisions for credit commitments ***(Note 2.g)***	166	-	-	-	20	186
Provisions for litigation	76	39	(13)	-	20	122
Other provisions for contingencies and charges	422	56	(129)	-	(18)	331
Total provisions for contingencies and charges	**3,436**	**171**	**(251)**	**(84)**	**20**	**3,292**

Other Provisions for contingencies and charges on 30 June 2026 amount to 331 million euros, mainly related to provisions for risk on operating leases and sectorial provision on fleet for an amount of 269 million euros:

Provisions for liabilities on lease contracts amounting to 263 million euros at 30 June 2026 cover mainly risk retention and relief vehicles risk estimated on the basis of vehicle damage statistics (compared to 258 million euros at the end of 2025)

Provisions for sectorial provision on fleet amounting to 4 million euros at 30 June 2026 covers the risk of loss of value of the fleet for resale (compared to 78 million euros at the end of 2025). This sectorial provision was created for Plug-in Hybrid Electric Vehicle (PHEV) delivered before 2023 and for which there was uncertainty on the used car markets. The provision was reversed once the performance (result of cars sold) was confirmed

4.m 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 and derivative instruments 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’.

In millions of euros, at 30 June 2026	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	14,566	(641)	13,925	(9,615)	(485)	3,825
Securities	*1,936*	-	*1,936*	-	-	*1,936*
Loans and repurchase agreements	*3,648*	*(641)*	*3,007*	*(2,793)*	*(213)*	*1*
Derivative financial instruments (including derivatives used for hedging purposes)	*8,982*	-	*8,982*	*(6,822)*	*(272)*	*1,888*
Financial assets at amortised cost	273,616	(2,621)	270,995	(16,124)	(1,228)	253,643
of which repurchase agreements	*19,977*	*(2,621)*	*17,356*	*(16,124)*	*(1,228)*	*4*
Accrued income and other assets	12,333	-	12,333	-	(1,376)	10,957
of which guarantee deposits paid	*2,143*	-	*2,143*	-	*(1,376)*	*767*
Other assets not subject to offsetting	97,456	-	97,456	-	-	97,456
TOTAL ASSETS	**397,971**	**(3,262)**	**394,709**	**(25,739)**	**(3,089)**	**365,881**

In millions of euros, at 30 June 2026	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 given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss	22,022	(641)	21,381	(9,552)	(4,161)	7,668
Securities	*520*	-	*520*	-	-	*520*
Deposits and repurchase agreements	*6,476*	*(641)*	*5,835*	*(2,730)*	*(3,070)*	*35*
Issued debt securities	*6,068*	-	*6,068*	-	-	*6,068*
Derivative financial instruments (including derivatives used for hedging purposes)	*8,958*	-	*8,958*	*(6,822)*	*(1,091)*	*1,045*
Financial liabilities at amortised cost	293,872	(2,621)	291,251	(16,187)	(18,205)	256,859
of which repurchase agreements	*37,216*	*(2,621)*	*34,595*	*(16,187)*	*(18,205)*	*203*
Accrued expense and other liabilities	12,093	-	12,093	-	(408)	11,685
of which guarantee deposits received	*1,120*	-	*1,120*	-	*(408)*	*712*
Other liabilities not subject to offsetting	32,101	-	32,101	-	-	32,101
TOTAL LIABILITIES	**360,088**	**(3,262)**	**356,826**	**(25,739)**	**(22,774)**	**308,313**

In millions of euros, at 31 December 2025	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	15,736	(1,362)	14,374	(10,238)	(537)	3,599
Securities	*1,919*	-	*1,919*	-	-	*1,919*
Loans and repurchase agreements	*4,184*	*(1,362)*	*2,822*	*(2,586)*	*(235)*	*1*
Derivative financial instruments (including derivatives used for hedging purposes)	*9,633*	-	*9,633*	*(7,652)*	*(302)*	*1,679*
Financial assets at amortised cost	265,283	(1,125)	264,158	(13,952)	(1,269)	248,937
of which repurchase agreements	*16,350*	*(1,125)*	*15,225*	*(13,952)*	*(1,269)*	*4*
Accrued income and other assets	11,358	-	11,358	-	(1,253)	10,105
of which guarantee deposits paid	*2,135*	-	*2,135*	-	*(1,253)*	*882*
Other assets not subject to offsetting	102,312	-	102,312	-	-	102,312
TOTAL ASSETS	**394,689**	**(2,487)**	**392,202**	**(24,190)**	**(3,059)**	**364,953**

In millions of euros, at 31 December 2025	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 given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss	26,232	(1,362)	24,870	(11,395)	(6,325)	7,150
Securities	*539*	-	*539*	-	-	*539*
Deposits and repurchase agreements	*10,336*	*(1,362)*	*8,974*	*(3,743)*	*(5,055)*	*176*
Issued debt securities	*5,460*	-	*5,460*	-	-	*5,460*
Derivative financial instruments (including derivatives used for hedging purposes)	*9,897*	-	*9,897*	*(7,652)*	*(1,270)*	*975*
Financial liabilities at amortised cost	288,110	(1,125)	286,985	(12,795)	(17,281)	256,909
of which repurchase agreements	*31,803*	*(1,125)*	*30,678*	*(12,795)*	*(17,281)*	*602*
Accrued expense and other liabilities	10,647	-	10,647	-	(294)	10,353
of which guarantee deposits received	*812*	-	*812*	-	*(294)*	*518*
Other liabilities not subject to offsetting	32,031	-	32,031	-	-	32,031
TOTAL LIABILITIES	**357,020**	**(2,487)**	**354,533**	**(24,190)**	**(23,900)**	**306,443**

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	30 June 2026	31 December 2025
Financing commitments given		
- to credit institutions	144	326
- to customers	61,455	58,776
Confirmed financing commitments	*52,019*	*49,443*
Other commitments given to customers	*9,436*	*9,333*
Total financing commitments given	**61 599**	**59 102**
of which Stage 1	*58,692*	*56,632*
of which Stage 2	*2,667*	*2,314*
of which Stage 3	*239*	*157*
Financing commitments received		
- from credit institutions	18,464	19,145
- from customers	286	339
Total financing commitments received	**18 750**	**19 484**

5.b Guarantee commitments given by signature

In millions of euros	30 June 2026	31 December 2025*
Guarantee commitments given		
- to credit institutions	5,176	5,305
- to customers	13,874	12,960
Property guarantees	*9,769*	*9,677*
Sureties provided to tax and other authorities, other sureties	-	-
Other guarantees	*4,105*	*3,283*
Total guarantee commitments given	**19,050**	**18,265**
of which Stage 1	*17,432*	*17,019*
of which Stage 2	*1,388*	*1,051*
of which Stage 3	*230*	*195*

** Comparative figures have been restated to correct a presentation issue in the previously reported amounts. The restatement has no other impacts.*

Irrevocable Payment Commitment (IPC)

BNP Paribas Fortis' annual contribution to the European Union's Single Resolution Fund (SRF) 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.

In its judgment of 13 November 2025 concerning the BNP Paribas Public Sector case, the Court of Justice of the European Union ruled that a credit institution is required to pay the SRF an amount equivalent to its irrevocable payment commitment when that commitment is cancelled following the withdrawal of its banking license and upon its exit from the European Union's Single Resolution Mechanism (SRM); the amount thus paid is definitively acquired by the SRF. This decision has no impact on the result, insofar as the accounts of the contributing entities are prepared on a going-concern basis and these entities do not contemplate any withdrawal of banking license.

Based on the analyses carried out by BNP Paribas Fortis, it is not expected that events likely to trigger the call of those commitments by the SRB (through a banking resolution or license withdrawal) would occur in the Eurozone.

IPC amounted to 120 million euros at 30 June 2026 (stable compared with 31 December 2025).

Cash provided as collateral for an equivalent amount is remunerated at arm's length and recognised as a financial asset at amortised cost within the line "Other debtors and miscellaneous assets" (see note 4.i).

5.c Securities commitments

In connection 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	30 June 2026	31 December 2025
Securities to be delivered	303	121
Securities to be received	342	623

6. ADDITIONAL INFORMATION

6.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. 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.

6.b Business combinations and loss of control or significant influence

Operations realised in 2026

AG Insurance

On 7 December 2025, BNP Paribas Fortis has reached an agreement to sell its 25% share in AG Insurance to the Ageas Group. The sale price of AG Insurance shares, a consolidated entity under significant influence, was EUR 1.9 billion. The deal was finalized on 29th April 2026.

The divestment of this stake aims to focus the bank's equity on its other core activities while optimizing capital allocation. At the same time, BNP Paribas Fortis and AG Insurance have announced the renewal of their insurance distribution agreement for a 15-year term.

This operation decreased the Bank' s balance sheet compared to December 2025 by 766 million euros at disposal date in Non-current assets held for sale. The gain was recorded in Profit and Loss in the caption Net gain on non-current assets (note 2h) and amounted to 0.6 billion euros.

6.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 2024	**6,481**	**68**	**(500)**	**6,050**
Other movements	(35)	-	-	(35)
Acquisitions	212	-	-	212
Dividends	(202)	-	-	(202)
Realised gains or losses reclassified to retained earnings	-	(1)	(21)	(202)
Changes in assets and liabilities recognised directly in equity	10	(10)	-	-
Net income for the first half of 2025	198	-	-	198
Capital and retained earnings at 30 June 2025	**6,665**	**57**	**(521)**	**6,201**
Other movements	(4)	-	-	(4)
Acquisitions		-	-	-
Dividends	-	-	-	-
Changes in assets and liabilities recognised directly in equity	-	6	25	31
Net income for the second half of 2025	255	-	-	255
Capital and retained earnings at 31 December 2025	**6,915**	**63**	**(496)**	**6,483**
Other movements (1)	(87)	1	-	(86)
Share Capital increase and new emissions	-	-	-	-
Dividends	(274)	-	-	(274)
Changes in assets and liabilities recognised directly in equity	-	-	119	119
Net income for the first half of 2026	201	-	-	201
Capital and retained earnings at 30 June 2026	**6,755**	**64**	**(377)**	**6,443**

(1) Mainly related to the evolution on Commitments to repurchase minority shareholders' interests (see below)

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.

	30 June 2026	**First half 2026**						
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	65,416	1,007	339	359	50%	208	223	274
Other minority interests						(7)	97	-
TOTAL						**201**	**320**	**274**

In millions of euros	31 December 2025	First half 2025						
	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	64,584	987	320	358	50%	198	221	197
Other minority interests						-	(45)	5
TOTAL						**198**	**176**	**202**

Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries

No significant internal restructuring operation occurred during 2026, nor during 2025.

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 EUR 213 million at 30 June 2026, compared with EUR 145 million at 31 December 2025.

6.d Non-current assets held for sale

On 7 December 2025, BNP Paribas Fortis has reached an agreement to sell its 25% share in AG Insurance to the Ageas Group. The sale price of AG Insurance shares, a consolidated entity under significant influence, is EUR 1.9 billion. The deal as expected was finalised in the second quarter of 2026, after obtaining the necessary regulatory approvals.

Given the progress of the negotiations back in December 2025, BNP Paribas Fortis considered that the loss of control of AG Insurance within a one year period was highly probable. In accordance with the provisions of IFRS 5 on groups of assets and liabilities held for sale, the consolidated financial statements of BNP Paribas Fortis were adjusted to present the entity separately:

The assets were therefore reclassified on a separate line of the balance sheet "Assets held for sale" and 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 recognized under 'Net gain or loss on non-current assets'. For this specific transaction, the fair value was higher than the carrying amount, which means that the expected gain would only be recognised at the moment of the execution of the sale transaction.

The transaction was closed on 29th April 2026 and Held for Sale was therefore derecognized from the Balance Sheet. Please refer to the disclosure of Business combinations (6b)

In millions of euros	30 June 2026	31 December 2025
Assets		
Equity-method investments	-	766
Total assets	**-**	**-**

6.e 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 6.h '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

	30 June 2026			31 December 2025		
In millions of euros	Entities of the BNP Paribas Group	Joint ventures	Associates (1)	Entities of the BNP Paribas Group	Joint ventures	Associates (1)
ASSETS						
Demand accounts	1,522	-	29	2,143	-	154
Loans	14,936	54	210	14,082	56	145
Securities	13	-	125	13	-	124
Other assets	616	-	20	402	-	47
Total assets	**17,087**	**54**	**384**	**16,640**	**56**	**470**
LIABILITIES						
Demand accounts	964	-	245	543	-	457
Other borrowings	57,818	-	64	60,506	-	283
Other liabilities	615	-	17	858	-	27
Total liabilities	**59,397**	**-**	**326**	**61,907**	**-**	**767**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS						
Financing commitments given	288	-	6	35	-	14
Guarantee commitments given	6,906	-	42	5,924	-	92
Total	**7,194**	**-**	**48**	**5,959**	**-**	**106**

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	First half 2026			First half 2025		
	Entities of the BNP Paribas Group	Joint ventures	Associates [1]	Entities of the BNP Paribas Group	Joint ventures	Associates [1]
Interest income	602	3	5	715	3	5
Interest expense	(1,588)	-	(3)	(1,662)	-	(10)
Commission income [2]	286	-	4	71	-	267
Commission expense	(46)	-	(22)	(43)	-	(21)
Services provided	63	-	29	46	-	25
Services received	(319)	-	(43)	(256)	-	(43)
Lease income	35	-	6	24	-	8
Total	**(967)**	**3**	**(24)**	**(1,105)**	**3**	**231**

[1] *Including controlled but non material entities consolidated under the equity method*

[2] *Evolution between first half 2025 and first half of 2026 mainly due to perimeter effects: BNP Paribas Asset Management considered as of July 2025 as 'Entities of BNP Paribas Group' and AG Insurance not considered anymore as related-party following the sale to AGEAS Group.*

6.f 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 30 June 2026. 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.

30 June 2026	Estimated fair value				Carrying value
In millions of euros	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers [1]	-	26,058	199,695	225,753	230,559
Debt securities at amortised cost (note 4.d)	14,605	395	-	15,000	15,682
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers	-	291,343	-	291,343	291,251
Debt securities (note 4.g)	-	19,393	-	19,393	19,380
Subordinated debt (note 4.g)	-	6,743	-	6,743	6,754

31 December 2025 *In millions of euros*	Estimated fair value Level 1	 Level 2	 Level 3	 Total	Carrying value
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers [1]	-	23,639	200,399	224,038	225,069
Debt securities at amortised cost (note 4.d)	13,792	605	-	14,397	15,164
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers	-	287,000	-	287,000	286,985
Debt securities (note 4.g)	-	20,106	-	20,106	20,057
Subordinated debt (note 4.g)	-	6,746	-	6,746	6,749

[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.

6.g 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 reported under the prudential scope.

Banking book *In millions of euros*	30 June 2026	31 December 2025
Eurozone		
Belgium	11,776	11,075
Italy	544	548
Austria	731	708
Spain	508	502
Luxembourg	643	537
Finland	93	87
France	25	25
Germany	156	20
Cyprus	2	2
The Netherlands	-	-
Total eurozone	**14,478**	**13,504**
Other countries in European Economic Area (EEA)		
Czech Republic	-	20
Others	149	70
Total other EEA	**149**	**90**
Other countries		
Turkey	1,496	1,737
Others	-	-
Total other countries	**1,496**	**1,737**
TOTAL	**16,123**	**15,331**

6.h Scope of consolidation

Name	Country	30 June 2026				31 December 2025			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Consolidating company									
BNP Paribas Fortis	**Belgium**								
Belgium									
AG Insurance	Belgium				S2	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	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 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%	
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								S2
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								S4
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	100.0%	99.9%	
Microstart	Belgium	Full	44.0%	77.6%		Full	44.0%	77.5%	
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	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	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%	
Visalux	Luxembourg	Equity		25.3%	12.6%		Equity		25.3%	12.6%	
i Hub SA	Luxembourg	Equity	1	20.0%	10.0%		Equity	1	20.0%	10.0%	E1
Luxembourg - Special Purpose Entities											
Volantis SARL	Luxembourg	Full					Full				
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%	
Arval AB	Sweden	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval AS	Denmark	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval AS Norway	Norway	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Austria GmbH	Austria	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Brasil LTDA	Brazil	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval BV	The Netherlands	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval CZ SRO	Czech Republic	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Deutschland GmbH	Germany	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Fleet Services	France	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Hellas Car Rental SA	Greece	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval LLC	Russia	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Magyarorszag KFT	Hungary	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Maroc SA	Morocco	Full		100.0%	99.9%	V1	Full		66.7%	66.7%	
Arval Fleet Services Monaco Branch - MC	Monaco	Full		100.0%	99.9%		Full		100.0%	99.9%	E2
Arval Oy	Finland	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Relsa SPA	Chile	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Relsa Colombia SAS	Colombia	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Schweiz AG	Switzerland	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Service Lease	France	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Service Lease Italia SPA	Italy	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Service Lease Polska SP ZOO	Poland	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Service Lease Romania SRL	Romania	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Service Lease SA	Spain	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Slovakia SRO	Slovakia	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval Trading	France	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval UK Group Ltd	United Kingdom	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval UK Leasing Services Ltd	United Kingdom	Full		100.0%	99.9%		Full		100.0%	99.9%	
Arval UK Ltd	United Kingdom	Full		100.0%	99.9%		Full		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										S1
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%	
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%	
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 Finansal Kiralama A.S.	Türkiye	Full		100.0%	26.1%		Full		100.0%	26.1%	
BNP Paribas Fortis (U.S.A branch)	United States										S1
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										S2
BNPP Bank Polska SA	Poland	Equity		24.0%	24.0%		Equity		24.0%	24.0%	
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		100.0%	99.9%	
BNPP Leasing Solution AS	Norway	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%	
BNPP Rental Solutions SPA	Italy					S3	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		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		100.0%	99.9%	
Comercializadora de Vehiculos SA	Chile	Full		100.0%	99.9%		Full		100.0%	99.9%	
Creation Consumer Finance Ltd	United Kingdom	Full		100.0%	99.9%		Full		100.0%	99.9%	
Creation Financial Services Ltd	United Kingdom	Full		100.0%	99.9%		Full		100.0%	99.9%	
FCT Pulse France 2022	France					S1	Full		100.0%	99.9%	
Fortis Lease	France	Full		100.0%	25.0%		Full		100.0%	25.0%	
Fortis Lease Uk Ltd	United Kingdom					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%	
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%	
JCB Finance (Madrid Branch)-ES	Spain	Full		100.0%	12.5%		Full		100.0%	12.5%	E2
JFL BNP Paribas Agriculture And Technology Financial Leasing Co Ltd	China	Equity		45.0%	11.3%		Equity		45.0%	11.3%	

Louveo	France	Full	100.0%	99.9%		Full	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%	
Public Location Longue Durée	France	Full	100.0%	99.9%		Full	100.0%	99.9%	
Rentaequipos Leasing SA	Chile	Full	100.0%	99.9%		Full	100.0%	99.9%	
Rentaequipos Leasing Peru SA	Peru	Full	100.0%	99.9%		Full	100.0%	99.9%	
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	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%	
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%	
Turk Ekonomi Bankasi A.S.	Türkiye	Full	76.2%	48.7%		Full	76.2%	48.7%	
TEB Portfoy Yonetimi AS	Türkiye	Full	79.6%	39.1%		Full	79.6%	39.1%	E1
Towarzystwo Funduszy Inwestycyjnych Spolka Akcyjna	Poland	Equity	100.0%	24.0%	D1				
Rest of the World - Special Purpose Entities									
Pixel 2021	France								S3
Pulse UK 2024 PLC	United Kingdom	Full				Full			
(a) At 30 June 2026, 10 Private Equity investment entities versus 11 at 31 December 2025.									

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

D2 Bpost bank was consolidated under equity method in BNP Paribas Fortis until 31 December 2021. Following the additional purchase of interest by BNP Paribas Fortis, bpost bank was fully consolidated.

Prudential scope of consolidation

1 Jointly controlled entities under proportional consolidation in the prudential scope.

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

6.i Cash Flow Statement - Detail on investing and financing activities

In millions of euros	First half 2026	First half 2025
Net decrease in cash related to acquisitions and disposals of consolidated entities	**2,097**	**143**
of which acquisitions	4	7
of which disposals	1,954	(111)
of which dividends received, capital variation (equity method entities)	139	247
Net increase related to property, plant and equipment and intangible assets	**(159)**	**(174)**
of which acquisitions	(234)	(259)
of which disposals	75	85
Net decrease in cash and equivalents related to investing activities	**1,938**	**(31)**
Net increase in cash and equivalents related to transactions with shareholders	**(2,281)**	**(7)**
of which dividends paid	(2,275)	(202)
of which capital increase		213
of which other	(6)	(18)
Net decrease in cash and equivalents genereated by other financing activities	**(2,100)**	**(629)**
of which Long term subordinated borrowings repayment		
of which Long term subordinated securities issuance		
of which bond debt issuance	1,006	1,053
of which bond debt repayment	(3,106)	(1,682)
Net increase in cash and equivalents related to financing activities	**(4,381)**	**(636)**

6.j Events after the reporting period

On December 18th, 2025, Arval, a fully owned and consolidated subsidiary of BNP Paribas Fortis announced that it had entered into exclusive talks with Mercedes-Benz Group for the acquisition of 100% of Athlon, representing a multi-brand fleet of more than 400,000 vehicles in 10 European countries.

This transaction, which was finalized at the end of July 2026, enables the creation of an European co-leader in the full-service vehicle leasing industry, bringing the combined leased fleet of Arval and Athlon close to 2.3 million vehicles. It also enables the continued joint growth momentum of both, focusing on sustainable mobility and differentiating through the best service quality in the industry.

Following the closing of the transaction, the assets and liabilities of Athlon will be integrated as of the third quarter in the consolidated accounts of BNP Paribas Fortis.

REPORT OF THE ACCREDITED STATUTORY AUDITOR

Report on the review of the consolidated interim financial information for the six-month period ended 30 June 2026

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the profit and loss account for the first half of 2026, the statement of net income and change in assets and liabilities recognised directly in equity, the balance sheet as at 30 June 2026, the cash flow statement for the first half of 2026 and the statement of changes in shareholder's equity between 31 December 2024 and 30 June 2026, as well as selective notes 1 to 6.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of BNP Paribas Fortis SA/NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The balance sheet shows total assets of 394 709 million EUR and the profit and loss account for the first half of 2026 shows a consolidated profit for the period then ended of 1 695 million EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of BNP Paribas Fortis SA/NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Signed at Zaventem 3 September 2026.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Yves Dehogne