PILLAR 3 DISCLOSURE

2025

BNP PARIBAS
FORTIS

CONTENTS

INTRODUCTION

The purpose of Pillar 3 – market discipline, is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2) with a set of disclosures completing the usual financial disclosures.

Regulation (EU) No 2024/1623 (CRR3)[1] provides, as from 1 January 2025, new provisions for the calculation of capital requirements.

The main effects of this regulation are the introduction of new prudential requirements for European banks, with the extensive use of standardised risk weighting models, as opposed to internal models for which the scope of application has been limited and which are subject to the application of an input floor.

This is also accompanied by the establishment of an output floor setting a lower limit to the capital requirements determined according to the banks' internal models. This limit is set, in the future (in 2030), at 72.5% of the capital requirements that would apply on the basis of risk calculated according to standardised approaches and thus represents a new minimum requirement for European banks. This limit is phased-in over a transitional period, with a floor set at 50% in 2025. The output floor is currently not applicable to BNP Paribas Fortis, hereinafter also referred to as the 'bank'.

In general, these regulatory changes result in an increase in the amount of risk-weighted assets, in particular due to the operational risk, now subject to the application of a single standard method.

In the following document, references made to Regulation (EU) No 575/2013 ("CRR") include all subsequent amendments following its enforcement, and notably Regulation (EU) No 2019/876 ("CRR 2") and newly Regulation (EU) No 2024/1623 ("CRR 3").

The elements published are presented after the application of the transitional measures ("phased-in"), unless otherwise specified.

In addition to determining the output floor, the transitional measures applied by BNP Paribas Fortis concern:
- The provisions of Article 495 of the CRR Regulation, namely:
  - The recognition of specific Loss Given Default (LGD) input floors for specialised lending exposures treated under the Internal Ratings-Based Approach;
  - The application of a 80% risk weight on specialised lending exposures for object financing;
  - The addition of a factor for determining the exposure at default of an unconditionally cancellable commitment;

- The provisions of Article 465 of the CRR Regulation, namely:
  - The application of a 65% risk weight to corporate exposures for which there is no credit assessment by a designated External Credit Assessment Institution (ECAI) and provided that the estimated probability of default (PD) of these debtors does not exceed 0.5%;
  - The application of a reduced "p" factor to securitisation positions weighted under the SEC-IRB approach or the Internal Assessment Approach;
  - The replacement by 1 of the "alpha" factor in the calculation of the exposure at default under the SA-CCR approach[2].

In application of article 13 of the CRR, BNP Paribas Fortis is considered as a "significant subsidiary". Being part of the Group BNP Paribas, BNP Paribas Fortis is not subject to a full reporting concerning the Pillar 3 disclosures but can limit its disclosures to the ones required by specific articles of the CRR. These disclosures include quantitative and qualitative information on the capital structure and on the capital requirements. Information on the remuneration policies is also provided.

The information presented in this document, along with the Additional Pillar 3 disclosures, reflects the entirety of the risks carried by BNP Paribas Fortis on a consolidated basis. It provides a comprehensive description of BNP Paribas Fortis' Risk Management organisation and a quantitative and qualitative overview of BNP Paribas Fortis' risk exposure at year-end 2025.

[1] Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 – transposition into European law of the finalization of Basel 3 (Basel 4) – amending Regulation (EU) 575/2013, published in the Official Journal of the European Union on 19 June 2024.
[2] Standardised Approach for Counterparty Credit Risk

BNP Paribas Fortis' risk measures are presented according to the final Basel III principles (Basel IV) under the prudential scope of consolidation. These risks are calculated using methods approved by the banking supervisor, i.e. the National Bank of Belgium (NBB) and the European Central Bank (ECB) and are measured and managed as consistently as possible with the BNP Paribas risk methodologies.

The BNP Paribas Group's approach to the measuring and managing of risks resulting from banking activities can be found in the Universal Registration Documents and Financial Reports of BNP Paribas under the following link: https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports.

The format and references of the Pillar 3 tables meet the various technical standards published by the European Commission and European Banking Authority (EBA) which aimed at improving the comparability of information published by the institutions. All amounts in the tables of the Pillar 3 report are denominated in millions of euros, unless stated otherwise.

Attestation

I, the undersigned Franciane Rays, Chief Financial Officer (CFO) of BNP Paribas Fortis, confirm that, after having taken all reasonable measures, the information included in this disclosure complies to my knowledge to all requirements set out in the eighth part of Regulation (EU) No. 575/2013 (CRR) and subsequent amendments (CRR2 and CRR3).

Brussels, the 14 April 2026.

1. RISK MANAGEMENT ORGANISATION

The key principle of the risk governance is the double walled defence/control. The primary responsibility for risk within BNP Paribas Fortis lies within the territory and more particularly within the businesses, which are responsible for the approval, monitoring and management of the risks arising from their activities, according to the relevant risk policies, processes, procedures and limits (first line of defence/control) and in line with the bank's risk appetite.

The RISK function ("RISK") contributes, as a second pair of eyes, that the risks taken by the bank are compliant and compatible with its policies.

It is responsible for ensuring that the risks taken by the businesses fit the bank's risk tolerance and that they are properly quantified, managed and communicated to the internal and external stakeholders.

On a regular basis, RISK interacts with other internal control functions (Compliance, Audit and Legal) to coordinate their actions.

Competences and activities

RISK establishes the risk governance framework, adopts an integrated approach and promotes risk awareness. RISK adopts a holistic risk approach and has a specific focus on credit risk, counterparty risk, operational risk, market risk, interest rate risk and foreign exchange risk in the banking book, funding and liquidity risk. Amongst others, it supervises the credit policy, the risk monitoring policy, the portfolio management, the credit reporting and the credit control.

The RISK function is also in charge of the second line of defence for environmental and social risks as well as for associated governance risks and ensures these matters are embedded in the risk governance of the bank.

In the BNP Paribas Fortis Credit Risk Governance Framework, delegations for credit decisions on behalf of BNP Paribas Fortis have been given by the Executive Board to the chairperson of the Executive Board and to the business Heads, subject to the involvement of a RISK representative. The business Heads will further delegate to Business delegation holders via "Delegation letters". The RISK function will appoint its RISK representatives.

In that respect, a credit decision generally requires the agreement of one relevant Business delegation holder and a representative of RISK with the necessary authority level (4-eyes principles), as set out in the Delegation Letters.

The involvement of RISK in a specific file can however be replaced by defining policies, scores and rating models and overall risk appetite for a client. In full digital decisions, the framework / decision algorithm replaces involvement of both business and RISK.

The Enforcement Process is triggered in all cases where, due to the delegation framework and agreed routing, a BNPP credit committee (held in Paris or elsewhere), not being a joint BNP Paribas / BNP Paribas Fortis Credit Committee, issues a recommendation for transactions to be ultimately decided and booked or to be booked in BNP Paribas Fortis. For the Credit Proposals granted by BNP Paribas Fortis Belgium, it is recommended that the relevant Executive Board member is the primary sign-off for businesses under his responsibility. The Chief Risk Officer has a veto right.

Furthermore, RISK monitors, from an operational risk perspective, all commercial and support functions within BNP Paribas Fortis. Besides this, RISK defines and assesses the existence and the effectiveness of the permanent control framework, in liaison with other functions exercising second level controls. In this perspective, a number of committees have been set up, as follows:

- Internal Control Committee(s) ("ICC"): The terms of reference of the BNP Paribas Fortis ICC are set out in the 'Terms of reference of the Internal Control Committee'. The key task of the ICC is providing a clear and comprehensive view of the main operational risks, reviewing and validating the operational risk framework and permanent control framework, and deciding upon any operational risk subjects raised. The conclusions of the ICC serve as a basis for the management control statement of BNP Paribas Fortis towards the NBB, in accordance with the NBB Circular Letter 2011_9 of 20 December 2011.

In order to be able to fulfil its role and objective, the ICC has a decision making power within its scope. ICC's also exist at the level of the businesses and BNP Paribas Group functions and at the level of the major entities in the governance perimeter.

- **Transaction Approval Committees ("TAC"):** The role and process requirements of the TAC are set out in the TAC/NAC Policy, Exceptional transactions are non-recurring, outstanding, often composite or structured transactions, which are not covered by the bank's risk policies or cannot fit in a longstanding and accepted practice, because of significantly unusual or complex features and, hence, cannot be handled through the approval framework. Such transactions must be reviewed and approved through a validation process before they are concluded. The TAC is the decision-making forum in which the business or function approves execution of the transaction or activity considering the opinion of Compliance, RISK, Legal and the relevant functions.
- **New Activity Committee ("NAC"):** The role and process requirements of the NAC are likewise set out in the TAC/NAC Policy. A new activity is one that cannot be instigated, monitored or administered within the bank's existing written guidelines, policies, procedures or systems and hence, does not fit in the approval framework.

  A new activity, a generic term standing also for new products or services, must be validated through a formal validation process before being launched. The NAC is the decision-making forum in which the business or function approves execution of the transaction or activity considering the opinion of Compliance, RISK, Legal, Finance and the relevant functions.
- **Fraud Risk Steering Committee:** The Fraud Risk Steering Committee retains an overview of all preventive and remedial measures regarding fraud, monitors the evolution of the fraud incidents (numbers and losses) and the underlying causes, and where necessary ensures remediation actions are taken and arbitrates on priority setting.
- **Credit Policy Committee ("CPC"):** The CPC is the decision making body with regard to credit and counterparty risk policies, processes, concentration limits, new credit products and selectively for credit delegation limits. Hereby, it fulfils a transversal role, ensuring consistency of approach for lending standards and credit risk assessment methodologies across the bank. Furthermore, the CPC acts as advisory body to the Executive Board/Executive Committee for rating system and IFRS9-methodology related topics.

Organisation:

Supervisory Level

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

The Risk Committee shall, upon request of the Board of Directors, assist (and make recommendations to) the Board of Directors in all risk related matters. In addition, several special competences of the Risk Committee are set forth in article 29 of the Belgian Banking Law and are listed herewith: (i) risk tolerance, (ii) price setting and (iii) remuneration policy.

Executive Level

Specific delegations of authority have been given by the Executive Board to a number of management committees specifically composed for the handling of risk management. The main risk committees at the executive management level are as follows:

- **Central Credit Committee: ("CCC"):** The CCC is the highest Credit Committee and is the representative entity of the bank's Executive Board on credit and counterparty matters, and more specifically: on credit and counterparty risk exposures originated by all businesses within the bounds of granted delegations, approved Credit Policies and within the lending limit of the bank: ensuring that the quality of the commitments made correspond to an "acceptable" risk level for the bank, coherent between businesses and ultimately within its rating, stated risk appetite and risk-reward objectives;

- Financial Markets Risk Committee: ("FMRC"): The FMRC defines and enforces the market and counterparty credit risk strategy, policies, methods and limits of, but not restricted to, Global Markets but excluding ALM/Treasury;
- Bank Asset and Liability Committee ("ALCo"): The ALCo manages the liquidity position of the bank and the interest rate risk and foreign exchange risk in the banking book;
- Risk Policy Committee: ("RPC"): The RPC provides for the details of the risk strategy and the bank's risk policy and defines and enforces investment and credit policies, methods and thresholds at business/ portfolio/ steering centre level;
- Committee on Impairments and Provisions ("CIP") (together with the Finance department): The CIP consolidates provisions and impairments.
- Information Security Steering Committee ("ISSC"): The ISSC steers the implementation of a proper Information Security Management System and enables sound risk decision making to ensure that the organisation's Information Assets are adequately protected against information security threats.

Chief Risk Officer ("CRO")

The RISK function is headed by the Chief Risk Officer. The CRO is appointed by the Board of Directors upon recommendation by the Governance and Nomination Committee and subject to prior approval by the relevant supervisor. S/he is in principle appointed for the duration of his/her term as member of the Executive Board and Board of Directors.

Being responsible for an independent control function, the CRO can abide from his/her function only upon prior approval by the Board of Directors and upon prior notification to the relevant supervisor[3]. The CRO functionally reports to the CEO.

The CRO heads the various RISK functions:

- BNP Paribas Fortis RISK BRB: RISK Belgian Retail Banking, part of RISK Commercial Public Banking & Services, is responsible for the management of credit risks arising from all business lines within the perimeter of BNP Paribas Fortis (Retail, Affluent and Private Banking Belgium, Corporate Banking excl. CIB).
- BNP Paribas Fortis RISK CIB: RISK Corporate & Institutional Banking is tasked to provide full transparency and a dynamic analysis of market & counterparty risks to all BNP Paribas Fortis businesses excluding ALM/Treasury and is responsible for the management of credit risks on Financial Institutions, on Sovereigns and on Corporates belonging to BNP Paribas Fortis CIB.
- BNP Paribas Fortis RISK ORM: RISK Operational Risk Management defines, in consultation with the other functions exercising second level controls, the framework of operational risk and permanent control to be applied by the first and second lines of defence. Furthermore, RISK ORM acts as second line of defence on the operational risk domains defined in the Organisational Framework and Governance Framework for Operational Risk Management and Permanent Control.
- BNP Paribas Fortis RISK ERA: RISK Enterprise Risk Architecture is responsible for the Regulatory Affairs, RISK analytics and modelling, RISK strategic analysis, reporting and provisioning, RISK ALM–treasury and liquidity.
- BNP Paribas Fortis RISK function COO: The RISK function Chief Operating Office is responsible for Operational Permanent Control (ensuring first-line control of the RISK function), the management of IT-accesses and of the continuity of the RISK activities (managed by the Business Security and Continuity Office), the RISK Operating Office (coordinating the non-core support functions), projects related to change management and communication.

---

[3] *Article 61 of the Banking Law.*

- **BNP Paribas Fortis DPO:** The Data Protection Office is responsible for monitoring compliance with personal data privacy and protection regulatory requirements.
- **BNP Paribas Fortis RISK IRC**: RISK Independent Review & Control is responsible for model risk management and the independent review of models in the area of (1) credit risk, (2) market- and counterparty risk and (3) operational risk.

Oversight responsibilities:

Outside Belgium, alongside the existing local and global reporting lines, the CROs of companies that remain within the BNP Paribas Fortis Governance Perimeter inform the CRO of BNP Paribas Fortis in order to ensure compliance with internal and external rules.

2. RISK MEASUREMENT AND CATEGORIES

2.a. Risk measurement

To assess and measure risks, BNP Paribas Fortis uses several qualitative and/or quantitative methodologies. These range from regular reporting on matters such as concentration and quantitative and qualitative portfolio overviews to more sophisticated quantitative risk models for estimating internal risk parameters. The latter includes probability of default, loss given default, exposure at default and expected loss (for credit risk) and Value at Risk (for market risk).

The development and review of these models and their validation are subject to bank-wide standards in order to ensure adequacy and consistency.

The monitoring of the observed risk parameters, stress tests and model-based expectations are then compared to a framework of limits and risk guidelines.

Ultimately, all these risk measurements, together with stress tests, are then consolidated in risk dashboards, which provide a general overview for senior management. These aggregation documents are intended to provide a basis for well-founded decisions and are subject to on-going improvement.

2.b. Risk taxonomy

The risk categories reported below evolve in line with methodological developments at BNP Paribas and regulatory requirements.

1. *Credit and counterparty risk*

Credit risk is the risk of incurring a loss on financial assets (existing or potential due to commitments given) resulting from a change in the credit quality of the bank's debtors, which may ultimately result in default. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.

Credit risk is measured at portfolio level, taking into account correlations between the values of the loans and receivables making up the portfolio.

Counterparty credit risk (CCR) is the translation of the credit risk embedded in the financial transactions, investments and/or settlement between counterparties. Those transactions include bilateral contracts such as over-the-counter (OTC) derivative contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty credit risk lies in the fact that a counterparty may default on its obligations to pay the bank the full present value of a transaction or portfolio for which the bank is a net receiver. Counterparty credit risk is linked to the replacement cost of a derivative or portfolio in the event of the counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk.

2. *Market risk*

Market risk is the risk of incurring a loss of value due to adverse changes in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, foreign exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable parameters are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

In fixed-income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

The market risk related to banking activities encompasses the interest rate and foreign exchange risks stemming from banking intermediation activities.

3. *Operational risk*

Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the 'cause-event-effect' chain.

Internal processes giving rise to operational risk may involve employees and/or IT systems. External events include, but are not limited to: floods, fire, earthquakes, terrorist attacks and health risks related to a pandemic such as the coronavirus outbreak. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.

Operational risk encompasses fraud, human resources risks, legal risks, non-compliance risks, tax risks, information system risks, conduct risks (risks related to the provision of inappropriate financial services), risks relating to failures in operating processes, including loan procedures or model risks, as well as any potential financial implications resulting from the management of reputational risk.

The adoption of CRR3 significantly changes the treatment of operational risk by replacing the previous framework—based on the Basic Indicator Approach, Standardised Approach and Advanced Measurement Approach—with a single Standardised Approach. Under this approach, operational risk capital is primarily determined using the Business Indicator, which is derived from banks' financial statement components. Importantly, the financial data used to calculate the Business Indicator is now directly sourced from supervisory reporting under FINREP (Financial Reporting Framework), strengthening the link between prudential capital calculations and standardized accounting figures.

4. *Compliance and reputational risk*

Compliance risk is the risk of legal, administrative or disciplinary sanctions, together with the significant financial loss that a bank may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to banking and financial activities, including instructions given by an executive body, particularly in the application of guidelines issued by a supervisory body.

By definition, compliance risk is a sub-category of operational risk. However, as certain implications of compliance risk involve more than a purely financial loss and may actually damage the institution's reputation, the bank treats compliance risk separately.

Reputational risk is the risk of damaging the trust placed in a corporation by its customers, counterparties, suppliers, employees, shareholders, regulators and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations.

Reputational risk is primarily contingent on all the other risks borne by the bank.

5. *Asset-liability management risk*

Asset-liability management risk is the risk of incurring a loss as a result of mismatches in interest rates, maturities or nature between assets and liabilities. Asset-liability management risk arises in non-trading portfolios and primarily relates to global interest rate risk.

6. *Liquidity and refinancing risk*

Liquidity and refinancing risk is the risk of the bank being unable to fulfil its obligations at an acceptable price in a given place and currency.

7. *Environmental risk*

BNP Paribas Fortis does not consider environmental risk as a stand-alone risk category, but rather as a factor affecting various risk categories such as credit, market and operational risks.

Environmental risks and, more particularly, those associated with climate change are a financial risk for the bank. They may affect it, either directly on its own operations, or indirectly via its financing and investment activities. There are two main types of risks related to climate change: (i) transition risks, which result from changes in the behaviour of economic and financial actors in response to the implementation of energy policies or technological changes; (ii) physical risks, which result from the direct impact of climate change on people and property through extreme weather events or long-term risks such as rising water levels or increasing temperatures. In addition, liability risks may arise from both categories of risk. They correspond to the damages that a legal entity would have to pay if it were found to be responsible for global warming.

BNP Paribas Fortis discloses its "Sustainability Statements" prepared in accordance with the Corporate Sustainability Reporting Directive ("CSRD") and included in the annual report published on its corporate website.

BNP Paribas Fortis contributes to the BNP Paribas Group's strategic initiatives. More information is available in the chapter 7 of the BNP Paribas Group's Universal Registration Document ("Information concerning the social and environmental responsibility of BNP Paribas") and on its corporate website.

3. CAPITAL ADEQUACY

3.a. Framework

As a credit institution, BNP Paribas Fortis is subject to regulatory supervision.

The Belgian Banking Law of 25 April 2014 on the legal status and supervision of credit institutions aligns the Belgian legislation in accordance with the EU regulatory framework. The Capital Requirements Directive (CRD) is the legal framework for the supervision of credit institutions in all Member States of the European Union and is the basis of the Single Supervisory Mechanism (SSM), composed of the European Central Bank (ECB) and the national competent authorities, such as the National Bank of Belgium (NBB). The Capital Requirements Regulation (CRR) was published under reference number 575/2013 on 27 June 2013 in the Official Journal of the European Union and is applicable as from 1 January 2014. The CRD and the CRR have been amended by the European Parliament and by the Council in 2019 (CRD 5 and CRR 2). New amendments to the CRD and to the CRR have been adopted in 2024 (CRD 6 and CRR 3) with a first application date as from 1 January 2025.

As such BNP Paribas Fortis is supervised, at consolidated and statutory level, by the ECB and by the NBB. BNP Paribas Fortis' subsidiaries may also be subject to regulation by various supervisory authorities in the countries where these subsidiaries operate.

Regulators require banks to hold a minimum level of qualifying capital under the 1st Pillar of the Basel framework. Since 1 January 2014, BNP Paribas Fortis computes its qualifying capital and its risk-weighted assets under the CRR/CRD.

The NBB has granted to BNP Paribas Fortis its approval for using the most advanced approaches for calculating risk-weighted assets under the current Basel regulations (CRR 3): Internal Ratings-Based approach (IRB) for credit and Internal Models (IM) for market risk.

Some subsidiaries of BNP Paribas Fortis have not received such approval and therefore use the Standardised Approach for calculating their risk-weighted assets.

3.b. Breakdown of regulatory capital

Qualifying capital for regulatory purpose is calculated at consolidated level based on IFRS accounting standards, taking into account prudential filters and deductions imposed by the regulator, as described in the CRR/CRD.

The table below details the composition of the regulatory capital of BNP Paribas Fortis

In millions of euros	31 December 2025	31 December 2024
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	11,905	11,905
Retained earnings	15,807	12,913
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	(2,402)	(2,447)
Minority interests (amount allowed in consolidated CET1)	1,897	1,873
Independently reviewed interim profits net of any foreseeable charge or dividend	-	2,864
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**27,207**	**27,107**
Common Equity Tier 1 (CET1) capital: regulatory adjustments	**(2,442)**	**(2,880)**
COMMON EQUITY TIER 1 (CET1) CAPITAL	**24,764**	**24,227**
Additional Tier 1 (AT1) capital: instruments	**3,677**	**3,669**
ADDITIONAL TIER 1 (AT1) CAPITAL	**3,677**	**3,669**
TIER 1 CAPITAL (T1 = CET1 + AT1)	**28,441**	**27,895**
Tier 2 (T2) capital: instruments and provisions	**5,023**	**4,989**
Tier 2 (T2) capital: regulatory adjustments	**(167)**	**(183)**
TIER 2 (T2) CAPITAL	**4,856**	**4,806**
TOTAL CAPITAL (TC = T1 + T2)	**33,297**	**32,701**

More detailed information on the composition of the regulatory own funds and on the capital ratios and requirements (including the buffer requirements) is provided in the Additional Pillar 3 disclosure.

Key capital indicators

In millions of euros	31 December 2025	31 December 2024
Common Equity Tier 1 Capital	24,764	24,227
Tier 1 Capital	28,441	27,895
Total Capital	33,297	32,701
Risk-Weighted Assets		
Credit risk	150,221	145,617
Securitisation	1,563	763
Counterparty Risk	1,940	1,819
Equity Risk	8,545	9,095
Market risk	1,799	2,016
Operational risk	22,508	13,197
Total Risk-Weighted Assets	**186,576**	**172,505**
Common Equity Tier 1 ratio	**13.27%**	**14.04%**
Tier 1 ratio	**15.24%**	**16.17%**
Total capital ratio	**17.85%**	**18.96%**

Leverage ratio

The leverage ratio's main objective is to serve as a complementary measure to the risk-based capital requirements (back-stop principle). It is calculated as the ratio between Tier 1 capital and an exposure measure calculated using on- and off-balance sheet commitments valued using a prudential approach. In particular, derivatives and repurchase agreements are also adjusted.

BNP Paribas Fortis is subject to a minimum leverage ratio requirement of 3%.

Monitoring of the risk of excessive leverage is one of the responsibilities of the Capital Committee.

LRCom: Leverage ratio common disclosure (EU LR2)

in millions of euros	31 December 2025	31 December 2024
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	364,281	344,843
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(406)	(595)
(Asset amounts deducted in determining Tier 1 capital)	(2,442)	(2,883)
Total on-balance sheet exposures (excluding derivatives and SFTs)	**361,433**	**341,365**
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	2,577	3,411
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1,736	2,179
Adjusted effective notional amount of written credit derivatives	770	228
Total derivatives exposures	**5,083**	**5,818**
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	17,989	18,781
Counterparty credit risk exposure for SFT assets	14	
Total securities financing transaction exposures	**18,003**	**18,782**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	77,399	81,772
(Adjustments for conversion to credit equivalent amounts)	(53,176)	(49,319)
Off-balance sheet exposures	**24,223**	**32,453**
Excluded exposures		
(Total exempted exposures)	**-**	**-**
Capital and total exposure measure		
Tier 1 capital	**28,441**	**27,895**
Total exposure measure	**408,742**	**398,417**
Leverage ratio (*)	**6.96%**	**7.00%**
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	6.96%	7.00%
Leverage ratio requirements		
Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
of which: to be made up of CET1 capital	0.00%	0.00%
Leverage ratio buffer requirement (%)	0.00%	0.00%
Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures		
Choice on transitional arrangements for the definition of the capital measure	-	-
Disclosure of mean values		
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	19,001	19,100
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	17,989	18,781
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	408,742	398,417
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	408,742	398,417
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.96%	7.00%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.96%	7.00%

Risk-Weighted Assets and Capital Requirements (EU OV1)

In millions of euros	RWEA			Total own funds requirements
	31 December 2025	30 September 2025	31 December 2024	31 December 2025
Credit risk (excluding CCR)	**158,766**	**156,062**	**147,306**	**12,701**
of which standardised approach	*93,279*	*91,458*	*84,260*	*7,462*
of which the Foundation IRB (F-IRB) approach	*20,315*	*22,706*	-	*1,625*
of which slotting approach	-	-	-	-
of which equities under the simple risk weighted approach	-	-	*2,384*	-
of which the Advanced IRB (A-IRB) approach	*45,172*	*41,899*	*60,662*	*3,614*
Counterparty credit risk - CCR	**1,839**	**1,813**	**1,819**	**147**
of which the standardised approach	*406*	*305*	*241*	*32*
of which internal model method (IMM)	*733*	*890*	*772*	*59*
of which exposures to a CCP	*578*	*508*	*712*	*46*
of which CVA			*88*	
of which other CCR	*122*	*111*	*6*	*10*
Credit valuation adjustments risk - CVA risk	**101**	**90**		**8**
Of which the standardised approach (SA)	-	-		-
Of which the basic approach (F-BA and R-BA)	*101*	*90*		*8*
Of which the simplified approach	-	-		-
Settlement risk	-	-	-	-
Securitisation exposures in the non-trading book (after the cap)	**1,563**	**1,505**	**763**	**125**
of which SEC-IRBA approach	*1,141*	*1,282*	*410*	*91*
of which SEC-ERBA (including IAA)	*207*	*216*	*345*	*17*
of which SEC-SA approach	*215*	*7*	*7*	*17*
of which 1250% / deduction	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)	**1,799**	**1,920**	**2,016**	**144**
of which the Alternative standardised approach (A-SA)	*1,234*	*1,332*	*1,237*	*99*
of which the Alternative internal model approach (A-IMA)	*566*	*588*	*778*	*45*
Large exposures	-	-	-	-
Reclassification between the trading and non-trading books	-	-	-	-
Operational risk	**22,508**	**22,670**	**13,197**	**1,801**
Exposures to crypto-assets	-	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	**5,607**	**5,955**	**7,405**	**449**
Output floor applied (%)	**50%**	**50%**		
Floor adjustment (before application of transitional cap)	-	-		
Floor adjustment (after application of transitional cap)	-	-		
TOTAL	**186,576**	**184,060**	**172,505**	**14,926**

Comparison of modelled and standardised risk weighted exposure amounts (EU CMS1)

In millions of euros	31 December 2025				
	Risk weighted exposure amounts (RWEAs)				
	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
Credit risk (excluding counterparty credit risk)	65,487	93,279	158,766	210,995	206,608
Counterparty credit risk	779	1,060	1,839	3,889	3,513
Credit valuation adjustment	-	101	101	101	101
Securitisation exposures in the banking book	1,141	422	1,563	6,026	2,878
Market risk	566	1,234	1,799	4,120	4,120
Operational risk	-	22,508	22,508	22,508	22,508
Other risk weighted exposure amounts	-	-	-	-	*110*
TOTAL	**67,972**	**118,604**	**186,576**	**247,639**	**239,838**

3.c. Pillar 2 Process

With respect to supervision, the second Pillar of the Basel Agreement provides that the supervisor shall determine whether the policies, strategies, procedures and arrangements implemented by BNP Paribas Fortis on the one hand, and the capital held on the other hand, are adequate for risk management and risk coverage purposes. This evaluation exercise by the supervisors to determine the adequacy of mechanisms and capital with respect to bank risk levels is designated in the regulations under the acronym SREP (Supervisory Review and Evaluation Process).

The ICAAP (Internal Capital Adequacy Assessment Process) is the process by which institutions assess the adequacy of their capital with their internal measurements of capital required to cover the risks generated by their usual activities.

The ICAAP is used by the supervisory authorities for the annual SREP.

BNP Paribas Fortis' ICAAP is organised around two key principles as set out in the ICAAP guide of the European Central Bank (ECB): reviewing the adequacy of the capital level compared to its requirements within an internal perspective, and forward-looking capital planning.

Within the ICAAP the adequacy of the capital for the risks incurred by BNP Paribas Fortis is done from an internal capital perspective. It is developed around a comprehensive quantification of the capital requirement generated by the Pillar 1 risks specified in the Basel regulation as well as the Pillar 2 risks identified as material within the framework of the Risk Inventory System. From this perspective, the capital required to cover the Pillar 1 and Pillar 2 risks are assessed using internal quantitative approaches, completed, as necessary, by qualitative assessments and dedicated monitoring frameworks.

Capital planning is based on the most recent actual and estimated financial data available. These data are used to project future capital sources and requirements, in particular by factoring in respect of the regulatory requirements, the bank's goal of maintaining a first-class credit rating to protect its origination capability, its business development targets and anticipated regulatory changes.

Capital planning consists of comparing the regulatory requirements and the capital ratio targets defined by BNP Paribas Fortis with projections of future capital consumption, and testing their robustness within different scenarios, including in stressed macroeconomic environments.

4. CREDIT AND COUNTERPARTY CREDIT RISK

4.a. Credit risk

4.a.1. Exposure to Credit risk

The following table shows all BNP Paribas Fortis' financial assets, including fixed-income securities, which are exposed to credit risk. Credit risk exposure does not include collateral and other security taken by the bank in its lending business or purchases of credit protection.

Exposure to credit risk (*) by asset class

In millions of euros	31 December 2025	31 December 2024
Central governments and central banks	61,443	45,650
Institutions**	12,739	13,722
Corporates	112,221	122,501
Retail	96,997	95,510
TOTAL IRB APPROACH	**283,400**	**277,383**
Central governments or central banks	5,953	7,291
Regional governments or local authorities	891	974
Public sector entities	235	205
Multilateral development banks		3
International organisations	118	118
Institutions**	4,915	6,437
Corporates	39,596	34,524
Retail	46,881	39,017
Exposures secured by mortgages on immovable property	10,892	12,792
Equity exposures and exposures in the form of units or shares in collective investment undertakings	3,599	2,936
Other exposures and defaulted items***	42,881	39,589
TOTAL STANDARDISED APPROACH	**155,960**	**143,886**
TOTAL EXPOSURE	**439,360**	**421,269**

** Exposure to credit risk excludes DTA's risk weighted at 250%, securitisation positions and default fund contributions to CCPs*
*** Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities*

**** Other non-credit-obligation assets include tangible assets, accrued income and residual values*

The following table shows the breakdown of risk-weighted exposure amounts for credit risk by asset class, such as sovereigns, institutions, corporates or individuals and asset class as defined in accordance with Article 147 of Regulation (EU) No 575/2013.

The amounts used to calculate capital requirements are also presented, distinguishing between standardised and internal portfolio approaches.
With the implementation of Regulation CRR3, Table EU CMS2 also includes adjustments related to the output floor in accordance with Article 438(d) of Regulation (EU) No 575/2013.

Comparison of modelled and standardised risk weighted exposure amounts (EU CMS2)

	31 December 2025				
	Risk weighted exposure amounts (RWEAs)				
In millions of euros	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
Central governments and central banks	82	60	3,167	3,146	3,146
Regional governments or local authorities	302	294	618	610	610
Public sector entities	686	693	774	781	781
Categorised as Multilateral Development Banks in SA	0	0	0	0	0
Categorised as International organisations in SA	(1)	-	(1)	-	-
Institutions	909	866	4,959	4,917	4,917
Equity	-	-	7,374	7,374	7,374
Corporates	27,973	33,339	57,307	67,061	62,674
Of which: F-IRB is applied	*13,858*	*15,579*	*13,858*	*18,875*	*15,579*
Of which: A-IRB is applied	*14,115*	*17,760*	*14,115*	*18,815*	*17,760*
Of which: Corporates - General	*24,301*	*25,060*	*53,636*	*58,783*	*54,395*
Of which: Corporates - Specialised lending	*3,672*	*8,278*	*3,672*	*8,278*	*8,278*
Of which: Corporates - Purchased receivables	*2,117*	*2,022*	*3,289*	*3,290*	*3,194*
Retail	6,441	10,819	24,156	28,534	28,534
Of which: Retail - Qualifying revolving	*0*	*0*	*1,145*	*1,145*	*1,145*
Of which: Retail - Purchased receivables	*282*	*282*	*299*	*299*	*299*
Of which: Retail - Other	*6,159*	*10,537*	*22,711*	*27,089*	*27,089*
Of which: Retail - Secured by residential real estate	*8,058*	*29,699*	*10,449*	*32,090*	*32,090*
Categorised as secured by immovable properties and ADC exposures in SA	25,775	64,271	29,346	67,842	67,842
Collective investment undertakings (CIU)	-	-	1,212	1,212	1,212
Categorised as exposures in default in SA	3,079	2,686	4,426	4,033	4,033
Categorised as subordinated debt exposures in SA	21	25	21	25	25
Categorised as covered bonds in SA	222	276	222	276	276
Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
Other non-credit obligation assets	-	-	25,185	25,185	25,185
TOTAL	**65,487**	**113,329**	**158,766**	**210,995**	**206,608**

4.a.2. General credit policy, control and provisioning procedures

BNP Paribas Fortis' lending activities are governed by the Global Credit Policy, which applies to all BNP Paribas Group entities. It is approved by the BNP Paribas Group Risk Committee, chaired by the Chief Executive Officer and endorsed by the BNP Paribas Fortis Executive Board, chaired by the Chief Executive Officer. The policy is underpinned by core principles relating to compliance with the Group's ethical standards, Compliance policies, clear definition of responsibilities (business and RISK), the existence and the implementation of procedures and requirements for a thorough analysis of risks. It is cascaded in the form of specific policies tailored to types of businesses or counterparty. The framework for the governance of credit risks within the bank is further detailed in a specific, transversal approach which is built upon key credit routing principles, rules governing the granting of delegations of authority and the role of the Central Credit Committee, which is the highest-level credit committee at the bank. It also reiterates and reinforces the key principle that the RISK Function is independent from the Businesses.

BNP Paribas Fortis' lending activities are also governed by Sector Policies. The bank, makes great efforts to finance projects that score well in the field of environmental care. BNP Paribas Fortis has currently 8 sector policies in place setting out the guidelines for its financing and investment activities in sectors facing major social and environmental challenges.

The bank's strategy and commitment in this regard is fully in line with that of the BNP Paribas group. More information thereon can be found in part 5 of the Universal Registration Document of BNP Paribas.

4.a.3. The credit lifecycle

Decision-making procedures

The basis for effective credit risk management is the identification of both existing and potential credit risk inherent in any product or activity. This process includes the gathering of all relevant information concerning the products offered, the counterparties involved and all other elements that may influence credit risk. In particular, before making any commitments, BNP Paribas Fortis carries out an in-depth review of any known development plans of the client and ensures that the bank has thorough knowledge of all the structural aspects of the client's operations and that adequate monitoring will be feasible.

Assessing the credit risk of a proposed transaction consists of:

- analysis of the probability that the client will fail to meet his obligations, which also translates into a risk classification on the bank's rating scale;
- analysis of the possibilities of fulfilling the client's obligations by other means in the event that the client fails to meet his obligations himself;
- formulation of a credit proposal which brings all these facets to the attention of the decision makers.

Authorised persons or committees composed of designated Business and RISK representatives take a joint decision based on the credit proposal. Credit proposals must comply with the bank's Global Credit Policy and with the applicable laws and regulations. Moreover, specific policies are in place.

A system of discretionary lending limits has been established, under which all lending decisions must be approved by formally designated members of the Business and the RISK department. The underlying principle is the need to achieve an appropriate balance, in terms of overall profitability, between two opposite drivers, i.e. maximising the decision-making autonomy of the businesses on the one hand and reducing unexpected credit and counterparty risk on the other.

Approvals are systematically given in writing, either by means of a signed approval form or in the minutes of formal meetings of a Credit Committee. Discretionary lending limits correspond to aggregate commitments by business group and vary according to internal credit ratings and the specific nature of the business concerned. In addition, an industry expert or designated specialist may also be required to sign off on the loan application for certain sectors or industries. In Retail banking, simplified procedures are applied, based on statistical decision-making aids, for standard products and limited amounts.

Monitoring procedures

All BNP Paribas Fortis entities are subject to comprehensive risk monitoring and reporting. This is carried out by Control and Reporting units which are responsible for ensuring that lending commitments comply with the loan approval decision, that credit risk reporting data are reliable and that risks accepted by the bank are effectively monitored. Exception reports are produced (at varying intervals depending on the business) and various tools are used to provide early warnings of potential escalations of credit risks. Monitoring is carried out at different levels, generally reflecting the organisation of discretionary lending limits. The monitoring teams report to the RISK department. Monitoring teams are closely involved in the organisation of the Watchlist and Impairment Committees which meet at quarterly intervals to examine all higher risk, sensitive or problem loans in excess of a certain amount. Its responsibilities include guidance on strategy and giving its opinion on any adjustments to impairment provisions, based on the recommendations of the relevant Business and the RISK department.

Impairment procedures

The BNP Paribas Fortis provisioning process for assets in default, also reported as assets in stage 3, is aligned with the BNP Paribas Group process and is organised on a monthly basis. The provisioning process encompasses one or more decisional levels and the routing depends on the concerned business, its Delegation Framework and the amount of the change in provision. The provision for impairment is determined in accordance with applicable accounting standards. The amount of the impairment loss is based on the present value of probable net recoveries, taking into account the possible realisation of collateral received.

In addition, a stage 1 & 2 impairment figure is established for customers that have not been identified as in default on a statistical basis for each business. This is based on simulations of expected credit losses on a one-year time horizon for loans whose credit quality is not considered as significantly deteriorated and over the remaining lifetime of loans whose credit risk has significantly increased since inception. The computed expected credit losses use the parameters of the internal rating system described below. The BNP Paribas Fortis Provisions Committee meets on a quarterly basis to approve the amount of the impairment.

The aforementioned Committee takes the final decision on all aspects of cost of risk, including stage 3 provisions for individual impairment and stages 1 & 2 impairments. Decisions on the structured credits portfolio are taken by the same Committee.

4.a.4. Internal rating system

BNP Paribas Fortis has chosen to adopt the most advanced approach – the 'Internal Ratings-Based approach' (IRB approach) as described in the Basel framework– and received approval from the CBFA on 3 March 2008 for using this approach to calculate capital requirements.

The bank has a comprehensive internal rating system for determining risk-weighted assets used to compute capital adequacy ratios. A periodic assessment and control process has been deployed to ensure that the system is appropriate and correctly implemented. For corporate loans, the system is based on three parameters: the counterparty's probability of default expressed via a rating; loss given default, which depends on the structure of the transaction; and the credit conversion factor (CCF), which estimates the portion of off-balance sheet exposure at risk.

There are twenty counterparty ratings. Seventeen cover performing clients, with credit assessments ranging from 'excellent' to 'very concerning', and three relate to clients classified as in default, as per the definition published by the banking regulator.

Ratings are determined at least once a year, by regular automatic recalculation or in connection with the annual review of the client's total exposure, drawing on the combined expertise of Business Line staff and Credit Officers from the RISK department, the latter having the final say. High quality tools have been developed to support the rating process, including analysis assistance and credit scoring systems. The decision to use these tools and the choice of technique depends on the nature of the risk.

Various quantitative and other methods are used to check rating consistency and the robustness of the rating system. Loans to private customers and very small businesses are rated using statistical analyses of groups of risks with the same characteristics. The RISK department has overall responsibility for the quality of the entire system. This responsibility is fulfilled either by directly designing the system, validating it and/or verifying its performance.

'Loss Given Default' is determined using statistical models. The regulation defines 'loss given default' as the loss that the bank would suffer in the event of the counterparty's default.

It takes into account the recovery rate for an unsecured exposure to the counterparty concerned, as well as for the effects of any risk mitigation techniques (collateral and other security). Amounts recoverable against collateral and other security are estimated on a prudent basis. The final 'Loss Given Default' is representative of a period of economic slowdown.

Exposure at default has been modelled by the bank, when the regulation allows it. Conversion factors are used to measure the off-balance sheet exposure at risk in the event of borrower default.

Each of the three credit risk parameters is backtested annually to check the system's performance for each of the bank's business segments. Backtesting consists of comparing estimated and actual results for each parameter. Therefore, the Group Credit Modelling Standards for Performance Assessment is used.

For backtesting ratings, the default rate of populations in each rating category, is compared with the actual default rate observed on a year-by-year basis. An analysis by rating model, rating, etc. is carried out to identify any areas where the models might be underperforming. The stability of the rating and its population is also verified. The bank has also developed backtesting techniques tailored to low-default portfolios to assess the appropriateness of the system, even where the number of actual defaults is very low.

Backtesting of the "Loss Given Default" is based mainly on an analysis of recovery flows on exposures in default. When an exposure has been written off, each amount recovered is discounted back to the default date and calculated as a percentage of the exposure. When an exposure has not yet been written off, an estimation is made of the amount that will still be recovered. The "Loss Given Default" determined in this way is then compared with the initial forecast. As with the rating, "Loss Given Default" is analysed on an overall basis and by rating model. Variances on an item-by-item and average basis are analysed taking into account the bimodal distribution of recovery rates. The results of these tests show that the bank's estimates are consistent with economic downturn conditions and are conservative on an average basis.

The credit conversion factor is also backtested annually.

The result of all backtesting work is presented annually to the bodies responsible for overseeing the rating system and risk practitioners. These results and ensuing discussions are used to help setting priorities in terms of developing methodology and deploying tools.

Internal estimates of risk parameters are used in the bank's day-to-day management in line with the regulation. For example, apart from calculating capital requirements, they are used when making new loans or reviewing existing loans to measure profitability, determine stage 1 & 2 provisions, monitor and ensure active risk management, and for internal and external reporting.

4.a.5. Portfolio policy

In addition to carefully selecting and assessing individual risks, BNP Paribas Fortis follows a portfolio-based approach to diversify risks among borrowers, industries and countries. As part of this policy, BNP Paribas Fortis may use credit risk transfer instruments (such as securitisation programmes or credit derivatives) to hedge individual risks, reduce portfolio concentration or cap potential losses under crisis scenarios.

4.a.6. Risk mitigation techniques

Collateral and other security

Risk mitigation is the result of reducing the credit risk by hedging or by obtaining collateral. Hedging is any financial technique designed to reduce or eliminate the financial risk engendered by products and/or activities. Security (collateral) is any commitment made or privilege given by a counterparty or third party to which the bank can seek recourse in the event of the counterparty's default in order to reduce loan losses, or any other agreement or arrangement having a similar effect. The lending activity is never based purely on collateral or hedging. Risk mitigation factors are always regarded as an alternative solution.

The BNP Paribas Global Credit Policy, which also applies to BNP Paribas Fortis, sets out how transactions should be structured in order to mitigate risk. Cash generated by operations is regarded as the primary source of the borrower's ability to repay. Guarantors are subject to the same rigorous upfront assessment process as primary debtors. Collateral and other security are taken into account at fair value and are only accepted as the main source of repayment in exceptional cases, such as for example commodities financing.

Banking regulations set clear guidelines for assessing the risk-mitigating effect of collateral and other security under the Basel III advanced approaches. The bank's diversified business base means that loans are secured by many different types of collateral and security charges over inventory, accounts receivable or real estate. Risk assessments also take into account direct guarantees issued by the counterparty's parent company or other guarantors such as financial institutions. Other guarantees assessed by the bank include credit derivatives (only for the purpose of hedging the CVA), export credit agencies and credit enhancers. Acceptance of these types of guarantees is governed by strict criteria. A guarantee is considered as mitigating a risk only when the guarantor is rated higher than the counterparty. The value of collateral or other security is only taken into account in measuring exposure if there is no strong correlation with the risk on the first-rank debtor.

The following table gives the breakdown by approach (IRB Approach and the Standardised Approach) of the risk mitigation resulting from collateral and guarantees related to the portfolio of loans and credit commitments for all business lines limited to Sovereign, Corporates, Institutions and Retail asset classes.

	31 December 2025				31 December 2024			
		Risk mitigation				Risk mitigation		
In millions of euros	Total exposure	Guarantees and credit derivatives	Collateral	Total guarantees and collateral	Total exposure	Guarantees and credit derivatives	Collateral	Total guarantees and collateral
IRB Approach	283,399	21,757	73,826	95,583	277,383	28,337	103,117	131,454
Standardised Approach	111,833	5,351	7,276	12,627	104,172	5,048	9,188	14,235
TOTAL	**395,232**	**27,108**	**81,102**	**108,210**	**381,555**	**33,384**	**112,305**	**145,689**

More details on IRB figures are provided in the Additional Pillar 3 disclosure.

Purchases of credit protection

Optimisation of credit portfolio management may require efficient hedging techniques to avoid concentration or unwanted exposure in the loan or debt security portfolio. For this purpose, BNP Paribas Fortis can use mainly single name credit default swaps (CDS). CDS counterparties are carefully selected, and virtually all contracts benefit from collateral agreements.

There was no reduction in risk-weighted assets resulting from hedging operations via CDS at 31 December 2025 (CR7).

Asset securitisation

Asset securitisation is the process of creating a marketable financial instrument that is backed by the cash flow or value of specific financial assets. During the securitisation process, assets (e.g. consumer loans, receivables, mortgages) are selected and pooled together into a special purpose vehicle (SPV) which issues securities that can be sold to investors.

Diversification of exposure to credit risk

Credit risk concentration is any exposure to a counterparty or an aggregate of exposures to a number of positively correlated counterparties (i.e. tendency to default under similar circumstances) with the potential to produce a significant amount of capital loss due to a bankruptcy or failure to pay. Avoidance of concentrations is therefore fundamental to BNP Paribas Fortis' credit risk strategy of maintaining granular, liquid and diversified portfolios.

In order to identify potential linkages between exposures to single counterparties, BNP Paribas Fortis applies the concept of 'Total Group Authorisation'. This implies that groups of connected counterparties are deemed to be a 'Business Group' for the management of credit risk exposure.

To manage the diversity of credit risk, BNP Paribas Fortis' credit risk management policy seeks to spread credit risk across different sectors and countries. The table below shows the industry concentration of BNP Paribas Fortis' customer credit portfolio.

In accordance with Implementing Regulation (EU) No. 2021/637, the table (EU CQ5) below shows the breakdown of loans and receivables within the scope of non-financial corporations. It does not take into account assets held for sale, debt securities, loans and receivables, or off-balance sheet commitments to central governments and central banks, credit institutions, and households.

Credit quality of loans and advances to non-financial corporations according to industry NACE classification (EU CQ5)

					31 December 2025
	Gross carrying amount				
		of which non-performing			
In millions of euros			of which: defaulted	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	5,944	*206*	*205*	*(118)*	-
Mining and quarrying	1,075	*28*	*28*	*(29)*	-
Manufacturing	19,483	*539*	*539*	*(384)*	-
Electricity, gas, steam and air conditioning supply	5,764	*31*	*31*	*(30)*	-
Water supply	1,076	*29*	*29*	*(21)*	-
Construction	13,191	*811*	*811*	*(339)*	-
Wholesale and retail trade	16,055	*628*	*627*	*(368)*	-
Transport and storage	8,528	*193*	*192*	*(113)*	-
Accommodation and food service activities	1,922	*72*	*72*	*(44)*	-
Information and communication	4,325	*69*	*69*	*(61)*	-
Real estate activities	17,144	*453*	*453*	*(127)*	-
Financial and insurance activities	2,271	*69*	*69*	*(60)*	-
Professional, scientific and technical activities	5,729	*188*	*188*	*(161)*	-
Administrative and support service activities	4,373	*96*	*96*	*(68)*	-
Public administration and defense, compulsory social security	77	*0*	*0*	*0*	-
Education	501	*8*	*8*	*(7)*	-
Human health services and social work activities	2,346	*114*	*114*	*(81)*	-
Arts, entertainment and recreation	715	*14*	*14*	*(7)*	-
Other services	3,503	*121*	*119*	*(61)*	-
TOTAL	**114,021**	***3,669***	***3,665***	***(2,079)***	**-**

In millions of euros	Gross carrying amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
				31 December 2024
		of which: defaulted		
Agriculture, forestry and fishing	6,678	*192*	(117)	-
Mining and quarrying	739	*5*	(3)	-
Manufacturing	19,615	*483*	(322)	-
Electricity, gas, steam and air conditioning supply	5,802	*61*	(73)	-
Water supply	1,081	*24*	(17)	-
Construction	13,769	*748*	(296)	-
Wholesale and retail trade	16,873	*618*	(357)	-
Transport and storage	8,094	*202*	(107)	-
Accommodation and food service activities	1,877	*98*	(50)	-
Information and communication	4,175	*74*	(42)	-
Financial and insurance activities	1,965	*77*	(72)	-
Real estate activities	16,492	*433*	(130)	-
Professional, scientific and technical activities	5,636	*213*	(161)	-
Administrative and support service activities	4,095	*111*	(65)	-
Public administration and defense, compulsory social security	65	*3*	(3)	-
Education	374	*7*	(5)	-
Human health services and social work activities	2,090	*49*	(27)	-
Arts, entertainment and recreation	627	*26*	(20)	-
Other services	2,536	*164*	(89)	-
TOTAL	**112,583**	***3,590***	**(1,956)**	**-**

The table (EU CQ4) below shows the on and off balance sheet exposures.

Exposures and provisions by geographic breakdown (EU CQ4)

										31 December 2025
	Gross carrying value/Nominal amount					Accumulated impairment				
In millions of euros		*Of which: instruments with a significative increase since origination (strate 2)*	*Of which: non-performing*	*of which: defaulted*	*of which: subject to impairment*		of which instruments with a significant increase since origination (strate 2)	of which: defaulted	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On balance sheet exposures	**320,256**	**14,847**	***6,170***	***6,136***	***319,996***	**(3,377)**	***(305)***	***(2,724)***	**-**	**(5)**
Europe(1)	**289,149**	***13,093***	***5,554***	***5,548***	**288,890**	**(2,929)**	***(251)***	***(2,389)***	**-**	**(5)**
France	24,443	800	*671*	*671*	*24,443*	(332)	*(20)*	*(298)*	-	-
Belgium	182,783	7,868	*3,198*	*3,198*	*182,748*	(1,508)	*(115)*	*(1,264)*	-	-
Luxembourg	26,955	902	*462*	*462*	*26,770*	(118)	*(11)*	*(99)*	-	-
Italy	7,151	713	*233*	*231*	*7,149*	(169)	*(21)*	*(133)*	-	-
The United Kingdom of Great Britain	16,539	919	*372*	*372*	*16,511*	(374)	*(41)*	*(249)*	-	(3)
Germany	10,533	696	*197*	*196*	*10,533*	(167)	*(27)*	*(131)*	-	-
Netherlands	7,686	292	*76*	*76*	*7,681*	(26)	*(3)*	*(17)*	-	-
Other European countries	13,060	904	*345*	*342*	*13,055*	(235)	*(14)*	*(198)*	-	(3)
North America	**2,065**	**263**	***5***	***5***	***2,065***	**(11)**	***(11)***	***(0)***	**-**	**-**
Asia-Pacific Area	**1,356**	**2**	***7***	***7***	***1,356***	**(3)**	***0***	***(2)***	**-**	**-**
Rest of the world	**27,686**	**1,489**	***605***	***576***	***27,686***	**(434)**	***(42)***	***(332)***	**-**	**-**
Off balance sheet exposures	**77,368**	***3,365***	***352***	***352***	***77,368***	**(125)**	***(20)***	***(62)***	**(125)**	**-**
Europe(1)	**66,605**	***2,816***	***337***	***337***	**66,605**	**(100)**	***(14)***	***(57)***	**(100)**	**-**
France	4,163	*29*	*1*	*1*	*4,163*	(1)	*0*	*-*	(1)	-
Belgium	37,578	*1,351*	*214*	*214*	*37,578*	(72)	*(4)*	*(53)*	(72)	-
Luxembourg	5,521	*329*	*71*	*71*	*5,521*	(6)	*(3)*	*(1)*	(6)	-
Italy	85	*0*	*0*	*0*	*85*	0	*-*	*-*	0	-
The United Kingdom of Great Britain	11,464	*526*	*43*	*43*	*11,464*	(12)	*(4)*	*-*	(12)	-
Germany	1,912	*50*	*7*	*7*	*1,912*	(4)	*(1)*	*(2)*	(4)	-
Netherlands	1,968	*204*	*0*	*0*	*1,968*	(1)	*(1)*	*-*	(1)	-
Other European countries	3,913	*327*	*2*	*2*	*3,913*	(3)	*(1)*	*-*	(3)	-
North America	**1,013**	***1***	***0***	***0***	***1,013***	**0**	***0***	***-***	**0**	**-**
Asia-Pacific Area	**421**	***6***	***0***	***0***	***421***	**0**	***0***	***-***	**0**	**-**
Rest of the world	**9,330**	***542***	***15***	***15***	***9,330***	**(24)**	***(6)***	***(5)***	**(24)**	**-**
TOTAL	**397,623**	***18,212***	***6,522***	***6,487***	***397,364***	**(3,502)**	***(324)***	***(2,785)***	**(125)**	**(5)**

(1) Within the European Union, the European Free Trade Association (EFTA) and the United Kingdom

In millions of euros	Gross carrying value/Nominal amount	Of which: instruments with a significative increase since origination (strate 2)	Of which: non-performing	of which: defaulted	of which: subject to impairment	Accumulated impairment	of which instruments with a significant increase since origination (strate 2)	of which: defaulted	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	31 December 2024									
On balance sheet exposures	**306,481**	***16,188***	***5,868***	***5,827***	***306,072***	**(3,280)**	***(344)***	***(2,562)***	**-**	**(6)**
Europe[(1)]	**273,460**	***14,075***	***5,371***	***5,365***	***273,051***	**(2,862)**	***(268)***	***(2,286)***	**-**	**(6)**
France	25,720	*980*	*557*	*556*	*25,720*	(327)	*(24)*	*(284)*	-	-
Belgium	168,328	*7,805*	*3,094*	*3,094*	*168,295*	(1,509)	*(130)*	*(1,244)*	-	-
Luxembourg	25,665	*889*	*398*	*398*	*25,457*	(95)	*(13)*	*(70)*	-	-
Italy	7,329	*728*	*220*	*219*	*7,326*	(168)	*(27)*	*(124)*	-	-
The United Kingdom of Great Britain	15,774	*1,637*	*475*	*471*	*15,621*	(416)	*(50)*	*(275)*	-	(3)
Germany	9,454	*825*	*206*	*206*	*9,454*	(99)	*(8)*	*(82)*	-	-
Netherlands	7,732	*283*	*51*	*51*	*7,726*	(29)	*(2)*	*(21)*	-	-
Other European countries	13,457	*927*	*371*	*370*	*13,451*	(219)	*(15)*	*(186)*	-	(3)
North America	**2,758**	***356***	***55***	***55***	***2,757***	**(37)**	***(13)***	***(23)***	**-**	**-**
Asia & Pacific	**1,311**	***9***	***3***	***3***	***1,311***	**(3)**	***0***	***(3)***	**-**	**-**
Rest of the World	**28,953**	***1,748***	***438***	***405***	***28,953***	**(378)**	***(64)***	***(250)***	**-**	**-**
Off balance sheet exposures	**81,761**	***4,632***	***422***	***422***	***81,761***	**(153)**	***(31)***	***(74)***	**(153)**	**-**
Europe[(1)]	**71,627**	***3,659***	***394***	***394***	***71,627***	**(115)**	***(18)***	***(64)***	**(115)**	**-**
France	4,098	*34*	*4*	*4*	*4,098*	(1)	*0*	*0*	(1)	-
Belgium	39,989	*2,184*	*258*	*258*	*39,989*	(86)	*(10)*	*(61)*	(86)	-
Luxembourg	6,027	*182*	*74*	*74*	*6,027*	(6)	*(2)*	*(1)*	(6)	-
Italy	91	*0*	*0*	*0*	*91*	0	-	-	0	-
The United Kingdom of Great Britain	12,079	*865*	*30*	*30*	*12,079*	(15)	*(4)*	*0*	(15)	-
Germany	2,080	*275*	*18*	*18*	*2,080*	(4)	*(1)*	*(2)*	(4)	-
Netherlands	2,034	*88*	*10*	*10*	*2,034*	(2)	*(1)*	-	(2)	-
Other European countries	5,228	*32*	*1*	*1*	*5,228*	(2)	*0*	-	(2)	-
North America	**1,609**	***386***	***1***	***1***	***1,609***	**(5)**	***(1)***	***0***	**(5)**	**-**
Asia & Pacific	**429**	***3***	***0***	***0***	***429***	**0**	***0***	**-**	**0**	**-**
Rest of the World	**8,096**	***584***	***27***	***27***	***8,096***	**(33)**	***(12)***	***(10)***	**(33)**	**-**
TOTAL EXPOSURE	**388,242**	***20,820***	***6,289***	***6,249***	***387,833***	**(3,433)**	***(376)***	***(2,637)***	**(153)**	**(6)**

[(1)] *Within the European Union, the European Free Trade Association (EFTA) and the United Kingdom*

4.a.7. Credit risk rating

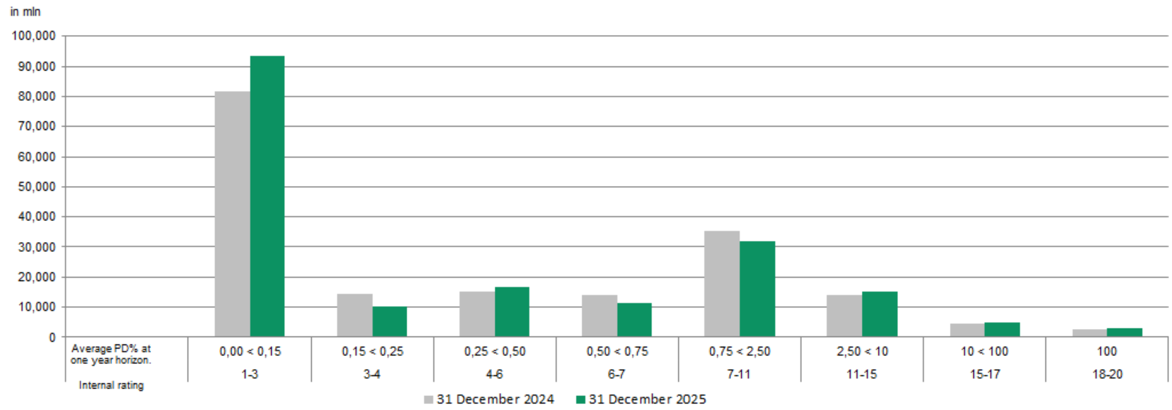
Credit risk rating is a classification resulting from the Risk Rating Assignment Process, which is based on a qualified assessment and formal evaluation. This classification is the result of an analysis of each obligor's financial history and an estimate of its ability to meet debt obligations in the future.

To this end, BNP Paribas Fortis has drawn up a 'Master Scale', ranging from 1 to 20, which provides an indication of the probability that a counterparty will default within one year. Master Scale ratings from 1 to 6 are considered investment grade, from 7 to 17 non-investment grade and from 18 to 20 defaulted.

IRB: Sovereign, Financial Institutions and Corporate exposures by credit rating

The chart below shows a breakdown by credit rating of loans and commitments towards Sovereigns, Institutions and Corporates for the entire bank's business lines, measured using the internal ratings-based approach (IRB approach). This exposure represents 186.4 billion euros of the gross credit risk at 31 December 2025, compared to 181.9 billion euros as of 31 December 2024.

Breakdown of IRB exposure by internal rating – Sovereign, Institutions and Corporate



Retail banking operations

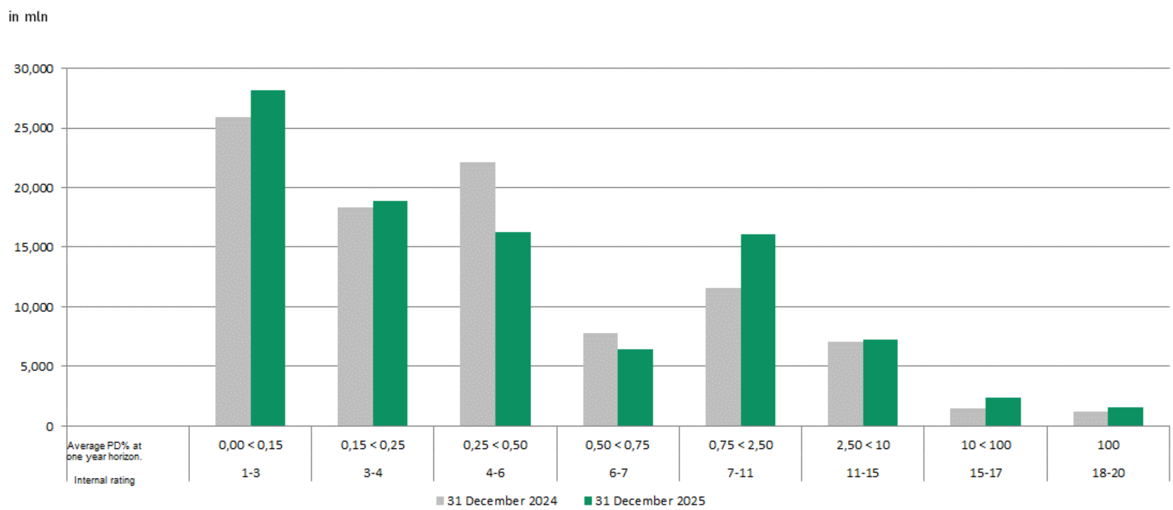
Retail banking operations are carried out through the BNP Paribas Fortis retail network. The Belgian field of operations is embedded in structured and automated credit processes, complying with the Basel internal ratings-based approach.

All the advanced Basel parameter estimates (PD, EAD, LGD) are reviewed and/or updated at least yearly. The explanatory variables for the individuals' part of the portfolio mainly rely on internal behavioral data and are computed monthly on the basis of the latest available information and made available without any manual intervention.

Classical scoring techniques are used for screening customers at application time, always remaining in line with the Basel parameters.

The chart below shows a breakdown by credit rating of loans and commitments in the retail loan book for the entire bank's business lines, measured using the internal ratings-based approach. This exposure represents 97.0 billion euros of gross credit risk at 31 December 2025, compared to 95.5 billion euros at 31 December 2024.

Breakdown of IRB - individually rated - Retail activities



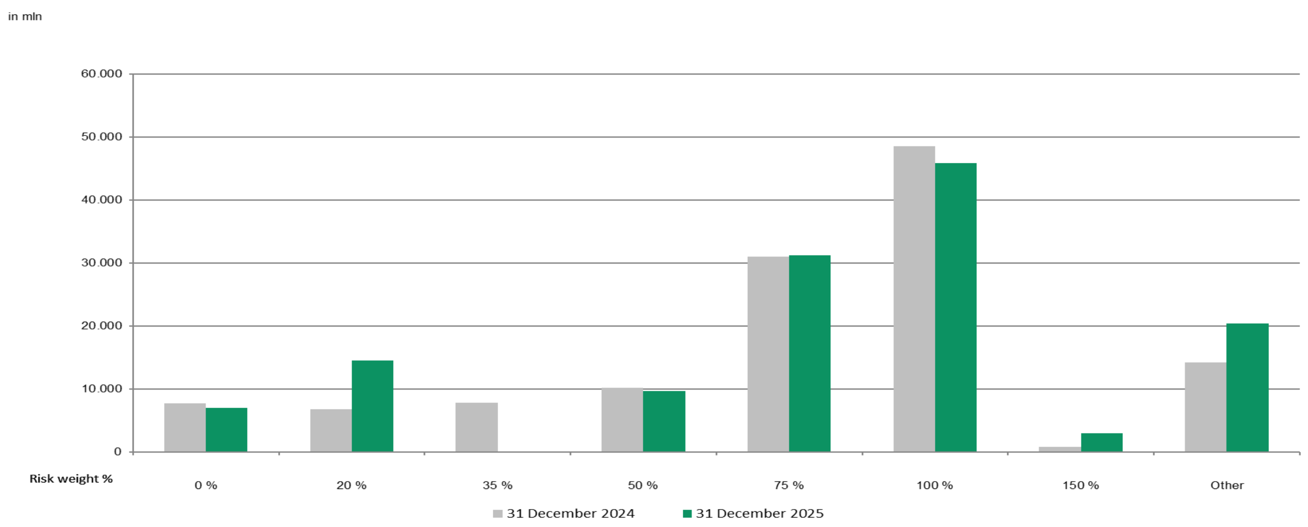
Standardised approach

BNP Paribas Fortis also applies the standardised approach or the 'Unrated Standardised Approach' (USTA) to legal entities or business units, inter alia those that are classified under 'Permanent exemptions'.

The entities classified under 'Permanent exemptions' are those legal entities or business units that are earmarked as non-material based on the eligibility criteria or processes defined by BNP Paribas / BNP Paribas Fortis. Permanent exemptions will remain as long as the eligibility criteria or processes for non-materiality continue to be met.

The chart below provides information on the exposure at default to the loan book measured using the standardised approach and broken down by risk weights. The exposure at default was 131.6 billion euros at 31 December 2025, compared to 127.2 billion euros at 31 December 2024.

Breakdown of exposure by weighting via the standardised approach



4.a.8. Loans with forbearance measures

When a borrower is bordering on or in financial difficulties, they may receive a concession from the bank that would otherwise not have been granted had the borrower not met financial difficulties. The concession may be:

- a change to the contract terms and conditions;
- partial or total refinancing of the debt;
- a new loan.

The loan is then said to be "restructured". It must retain the status of "restructured" during a period of observation, known as a probation period, for at least two years. The concept of restructuring is described in the accounting principles (note 1.g.4 to the consolidated financial statements) in the Annual Report 2025.

The identification of restructured exposures and the removal of the "restructured" status are embedded in the credit decision process and performed at the appropriate delegation level. A system has been set up in order to automatically identify exposures that qualify for the removal of the "restructured" status so that these exposures can be submitted for decision.

Information on restructured loans is reported to the supervisory authority on a quarterly basis.

The tables that follow show the gross value and impairment amounts of performing and non-performing loans that have been restructured.

Credit quality of forborne exposures (EU CQ1)

In millions of euros	31 December 2025						
	Gross carrying value			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing exposures	Non-performing exposures	*of which defaulted*	Performing exposures	Non-performing exposures		*Of which collateral and financial guarantees received on non-performing exposures with forbearance measures*
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-
Loans and advances	**1,677**	**1,413**	**1,413**	**(28)**	**(636)**	**2,064**	***615***
Central banks	-	-	-	-	-	-	-
General governments	23	2	2	0	(2)	21	*0*
Credit institutions	-	-	-	-	-	-	-
Other financial corporations	8	175	175	0	(92)	88	*81*
Non-financial corporations	1,455	867	866	(22)	(423)	1,724	*416*
Households	191	370	369	(5)	(119)	230	*118*
Off-balance sheet exposures	**405**	**15**	**15**	**(2)**	**(1)**	**347**	**6**
Total	**2,083**	**1,428**	**1,427**	**(30)**	**(637)**	**2,411**	***621***

In millions of euros	31 December 2024						
	Gross carrying value			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing exposures	Non-performing exposures	of which defaulted	Performing exposures	Non-performing exposures		*Of which collateral and financial guarantees received on non-performing exposures with forbearance measures*
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-
Loans and advances	**2,591**	**1,366**	**1,365**	**(51)**	**(578)**	**3,033**	***625***
Central banks	-	-	-	-	-	-	-
General governments	0	2	2	-	(2)	0	*0*
Credit institutions	-	-	-	-	-	-	-
Other financial corporations	37	177	177	0	(83)	114	*91*
Non-financial corporations	2,144	873	872	(38)	(380)	2,434	*412*
Households	410	314	314	(13)	(114)	484	*122*
Off-balance sheet exposures	**585**	**11**	**11**	**0**	**-**	**567**	**2**
Total	**3,176**	**1,377**	**1,376**	**(51)**	**(578)**	**3,600**	***627***

4.b. Counterparty Credit Risk

Counterparty credit risk (CCR) is the translation of the credit risk embedded in the financial transactions, investments and/or settlement between counterparties. These transactions include bilateral contracts such as over-the-counter (OTC) derivative contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty credit risk lies in the fact that a counterparty may default on its obligations to pay the bank the full present value of a transaction or portfolio for which the bank is a net receiver. Counterparty credit risk is linked to the replacement cost of a derivative or portfolio in the event of the counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk.

For the measurement of counterparty credit risk, the activities of the RISK function are organised around five main axes:

- the valuation of the counterparty credit risk exposures;
- the monitoring and analysis of these exposures and the associated limits;
- the implementation of risk reducing mechanisms;
- the calculation and the management of credit value adjustments (CVA);
- the definition and implementation of stress tests.

4.b.1. Counterparty credit risk valuation

Counterparty exposure calculation

The exposure to counterparty credit risk is measured using two approaches:

1. *Modelled exposure – Internal model approach*

With regard to modelled exposure to counterparty credit risk, the exposure at default (EAD) for counterparty credit risk is calculated based on the Effective Expected Positive Exposure (EEPE) indicator multiplied with the regulatory factor alpha as defined in article 284(4) of EU regulation n° 575/2013. The EEPE is measured using an internal exposure valuation model to determine exposure profiles. The model was developed by the Group and approved by the supervisor.

The principle of the model is to simulate the main risk factors, such as commodities and equity prices, interest rates and foreign exchange rates, affecting the counterparty exposure, based on their initial values. The bank uses Monte-Carlo simulations to generate thousands of time trajectories (corresponding to thousands of potential market scenarios) to define potential changes in risk factors. The diffusion processes used by the model are calibrated on the most recent historic data set over a four-year period.

Based on all the risk factor simulations, the model assesses the value of the positions from the simulation date to the transaction's maturity (from one day to more than thirty years for the longest-term transactions) to generate an initial set of exposure profiles.

Exposure may be reduced by a Master Agreement, which can include Credit Support Annexe(s) (CSA). For each counterparty, the model aggregates the exposures taking into consideration any potential master agreements and credit support annexes, as well as the potentially risky nature of the collateral exchanged.

Based on the breakdown of exposure to the counterparty, the model determines the following in particular:

- The average risk profile, the Expected Positive Exposure (EPE), from which the EEPE (Effective Expected Positive Exposure) is calculated:

  The Expected Positive Exposure (EPE) profile is calculated as the average of the breakdown of counterparty exposures at each point in the simulation, with the negative portions of the trajectories set to zero (the negative portions correspond to situations where BNP Paribas Group is a risk for the counterparty). The EEPE is calculated as the first-year average of the non-decreasing EPE profile: at each simulation date, the value taken is the maximum of the EPE value and the value on the previous simulation date;

- The Potential Future Exposure (PFE) profile:
- The Potential Future Exposure (PFE) profile is calculated as a 90th percentile of the breakdown of exposure to the counterparty at each point in the simulation. This percentile is raised to 99th for hedge fund counterparties. The highest Potential Future Exposure value (Max PFE) is used to monitor maximum limits. Since 1 January 2014, date of entry into force of Regulation (EU) No. 575/2013, the system for measuring exposures to counterparty risk takes into account:

- Extension of the margin periods of risk;
- Inclusion of the specific correlation risk;
- Determination of a stressed Effective EPE calculated based on a calibration reflecting a particular period of stress.

2. Non-modelled exposure method SA-CCR

For non-modelled counterparty credit risk exposures, the exposure at default for derivatives is using the Standardised Approach for Counterparty Credit Risk ("SACCR") in accordance with Article 274 of Regulation (EU) No. 876/2019.

The exposure at default of a netting set using the standardised approach to counterparty risk is based on:

- a replacement cost ("RC"), calculated in accordance with article 275;
- a potential future exposure (PFE), calculated in accordance with article 278;
- the regulatory factor alpha, fixed in accordance with article 274.

The exposure at default for securities financing transactions ("SFTs") is calculated using the Financial Collateral Comprehensive Method in accordance with article 223 EU regulation n° 575/2013.

Limit / Monitoring Framework

Limits reflecting the principles of the Group's Risk Appetite Statement are defined for the counterparty credit risk. These limits are set in accordance with the type of counterparty and the type of exposure used to measure and manage counterparty risk:

- the highest value of the potential future exposures calculated by the system (Max PFE) for the modelled exposures perimeter;
- The exposure value calculated applying the standardised approach for the non-modelled exposures perimeter. The exposure of each counterparty is calculated to verify compliance with credit decisions.

These limits are defined and calibrated as part of the risk approval process. They are approved in committees with different levels of authority, the highest authority level being the General Management Credit Committee.

These measures are complemented by sets of directives (covering contingent market risk sensitivities per counterparty which are extracted from the market risk system) which provide further tools in the monitoring of counterparty credit risk and the prevention of systemic risk concentrations.

Mitigation of Counterparty credit risk

As part of its risk management, BNP Paribas Fortis has implemented three counterparty credit risk mitigation mechanisms:

- Netting agreements for OTC transactions;
- Clearing through central counterparties, in the case of OTC or listed derivatives transactions;
- Bilateral initial margin exchange.

1. Netting agreements

Netting is used by the bank to mitigate counterparty credit risk associated with derivatives trading. The main instance where netting occurs is in case of trade-termination: if the counterparty defaults, all trades are terminated at their current market value and all the positive and negative market values are summed to obtain a single amount (net) to be paid to or received from the counterparty. The balance ('close-out netting') may be collateralised with cash, securities or deposits.

The bank also applies settlement netting to mitigate counterparty credit risk in case of currency settlements. This corresponds to the netting of all payments and receipts between the bank and a counterparty in the same currency, to be settled the same day. The netting results in a single amount (for each currency) to be paid either by the bank or by the counterparty.

Transactions affected by this are processed in accordance with bilateral or multilateral agreements respecting the general principles of the national or international framework.

2. Trade clearing through central counterparties

Trade clearing is part of BNP Paribas Fortis' usual Capital Market activities. As a clearing member, BNP Paribas Fortis contributes to the risk management framework of the central clearing counterparties (CCPs) through the payment of a default fund contribution as well as daily margin calls. The rules which define the relationships between BNP Paribas Fortis and the CCPs of which it is a member are described in each CCP's rule book.

This scheme enables the reduction of notional amounts through the netting of the portfolio and a transfer of the risk from several counterparties to a single central counterparty with a robust risk management framework.

Since default by one or more clearing houses would affect BNP Paribas Fortis, it has introduced dedicated monitoring of these central counterparties and closely tracks concentrations with them.

Bilateral Initial Margin exchange

Regulation (EU) No. 648/2012 (EMIR) stipulates the establishment of additional constraints for players in the derivatives markets, including the obligation to exchange collateral for contracts that are not centrally cleared. An initial guarantee deposit must be made by the bank's most significant financial and non-financial counterparties. The purpose of this exchange is to mitigate the counterparty credit risk associated with over-the-counter derivative trading that is not centrally cleared. The bank's transactions with sovereign borrowers, central banks, and supranational entities are excluded from this system.

If the counterparty defaults, all the trades are terminated at their current market value by the bank. The initial guarantee deposit hedges the variation in transactions during this liquidation period. The initial deposit reflects an extreme but plausible estimate of potential losses corresponding to a unilateral interval of confidence of 99% over a ten-day period, based on historic data including an episode of significant financial tensions.

The initial deposit must be bilaterally traded on a gross basis between the bank and the counterparty. It is kept by a third party so as to guarantee that the bank immediately has access to the counterparty's deposit and that the bank's deposit be protected in case the counterparty defaults.

Credit Value Adjustments (CVA)

The valuation of financial OTC trades carried out by BNP Paribas Fortis as part of its trading activities includes credit value adjustments (CVAs). CVA is an adjustment of the trading portfolio valuation to take into account the counterparty credit risk. CVA is the fair value of any expected loss arising from counterparty exposure based on the potential positive value of the portfolio, the counterparty default probability and the estimated recovery rate at default.

The credit value adjustment is not only a function of the expected exposure but also the credit risk level of the counterparty, which is linked to the level of the Credit Default Swaps (CDS) spreads used in the default probability calculation.

In order to reduce the risk associated with the credit quality deterioration embedded in a financial operations portfolio, BNP Paribas Fortis can use a dynamic hedging strategy, involving the purchase of market instruments such as credit derivative instruments.

Risk related to the volatility of CVAs (CVA risk)

Regulation (EU) No. 575/2013 introduced new capital requirements for credit valuation adjustment (CVA) risk. These requirements are intended to enable banks to withstand the risk of losses due to the volatility of CVA resulting from movements in credit spreads associated with the counterparties to which the BNP Paribas Fortis is exposed. They are calculated using either the standardised approach or the basic approach defined by CRR3 (see the CVA Risk section below).

Stress tests and Wrong way risk

The BNP Paribas Fortis counterparty credit risk stress testing framework is aligned with the market risk framework. As such, the counterparty stress testing framework is implemented in conjunction with the market risk stress testing and employs consistent market shifts where scenarios are shared. Testing also comprises factors specific to counterparty credit risk such as deteriorations in counterparty credit quality.

Such risk analysis is present within the management reporting framework which shares some common forums with the market risk reporting set up such as the Financial Markets Risk Committee (FMRC), core risk committee for market and counterparty credit risk. Both counterparty and market risk stress testing frameworks are governed by the Stress Testing Steering Committee.

Wrong Way Risk (or unfavourable correlation risk) is the case of exposure to a counterparty being inversely correlated with the counterparty's credit quality.

Such risk can be split into two parts:

- General Wrong Way Risk (GWWR), which corresponds to the risk that the likelihood of default by counterparties is positively correlated with general market risk factors;
- Specific Wrong Way Risk (SWWR), which corresponds to the risk arising when future exposure to a specific counterparty is positively correlated with the counterparty's probability of default due to the nature of the transactions with the counterparty or of the collateral received.

BNP Paribas Fortis' monitoring and analysis of General Wrong Way Risk is performed through stress tests that highlight the risk factors negatively correlated with the counterparty's credit quality. The GWWR policy defines the generic rules and criteria to be used to detect GWWR. These criteria are based on the countries of incorporation of the counterparties, the region of which they are part, the industries in which they are involved and stressing market and macro-economic parameters appropriately.

When a legal link between the underlying exposure and the counterparty is established, the SWWR is subject to prescribed regulatory capital treatment.

4.b.2. Exposure to Counterparty credit risk

The table below shows exposure to counterparty credit risk (measured as the exposure at default) by Basel asset class on derivative contracts and securities lending/borrowing transactions, after the impact of any netting agreement. Bilateral transactions between the bank and customers (bilateral counterparty risk) are distinguished from transactions related to the clearing activities of the bank, including essentially exposures to central counterparties (CCP).

Counterparty credit risk exposure at default by asset class (excl. CVA charges)

	31 December 2025				31 December 2024			
In millions of euros	IRBA(**)	F-IRB approach	Standardised Approach	Total	IRBA(**)	F-IRB approach	Standardised Approach	Total
Bilateral counterparty credit risk	**347**	**4,024**	**466**	**4,837**	**4,527**		**235**	**4,763**
Central governments and central banks	185	-	-	185	246		1	247
Corporates	162	3,198	354	3,713	3,564		100	3,664
Institutions (*)	-	826	111	937	717		133	850
Retail	-	-	2	2	-		2	2
Exposure to CCP related to clearing activities	**-**	**-**	**2,732**	**2,732**	**-**		**1,966**	**1,966**
TOTAL EXPOSURE	**347**	**4,024**	**3,198**	**7,569**	**4,527**		**2,201**	**6,729**

(*) Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.
(**) Under the IRBA approach exposure computed by the Internal Model are since 2014 based on the stressed EAD.

For bilateral counterparty credit risk, the share of exposures under the IRB approach represents 58% at 31 December 2025, compared to 67% at 31 December 2024.

The following table summarizes the exposures to counterparty credit risk with a breakdown by product.

Counterparty credit risk exposure at default by product

In millions of euros	31 December 2025					31 December 2024				
	Bilateral counterparty credit risk		Exposure to CCP related to clearing activities		Total	Bilateral counterparty credit risk		Exposure to CCP related to clearing activities		Total
OTC derivatives	4,264	94%	259	6%	4,524	4,570	92%	419	8%	4,989
Securities financing transactions	572	27%	1,539	73%	2,112	193	24%	617	76%	810
Listed derivatives			0	100%	0			0	100%	0
Default fund contributions to CCP's			933	100%	933			930	100%	930
TOTAL	**4,837**	**64%**	**2,732**	**36%**	**7,569**	**4,763**	**71%**	**1,966**	**29%**	**6,729**

4.b.3. Bilateral counterparty credit risk

Bilateral counterparty credit risk originates from transactions that have been traded bilaterally (i.e. non cleared) between BNP Paribas Fortis and its counterparties.

The exposure at default (EAD) for bilateral counterparty credit risk is primarily measured with the aid of the internal models. For the perimeter not covered by internal models (mainly the subsidiaries BGL and TEB), EAD is calculated using the standardised approach for counterparty risk.

The risk-weighted assets are calculated by multiplying the exposure by a risk weight resulting from the approach applied (standardised approach or internal ratings-based approach (IRB approach)).

The table below shows a summary by approach of all regulatory exposures of counterparty credit risk and their associated risk-weighted assets for all bilateral activities covering the full BNP Paribas Fortis perimeter. Since 30 June 2021, non-modelled exposures are calculated in accordance with the provisions of Article 274 of Regulation (EU) No. 876/2019 (SA-CCR method) and no longer using the "Mark-to-market" valuation method.

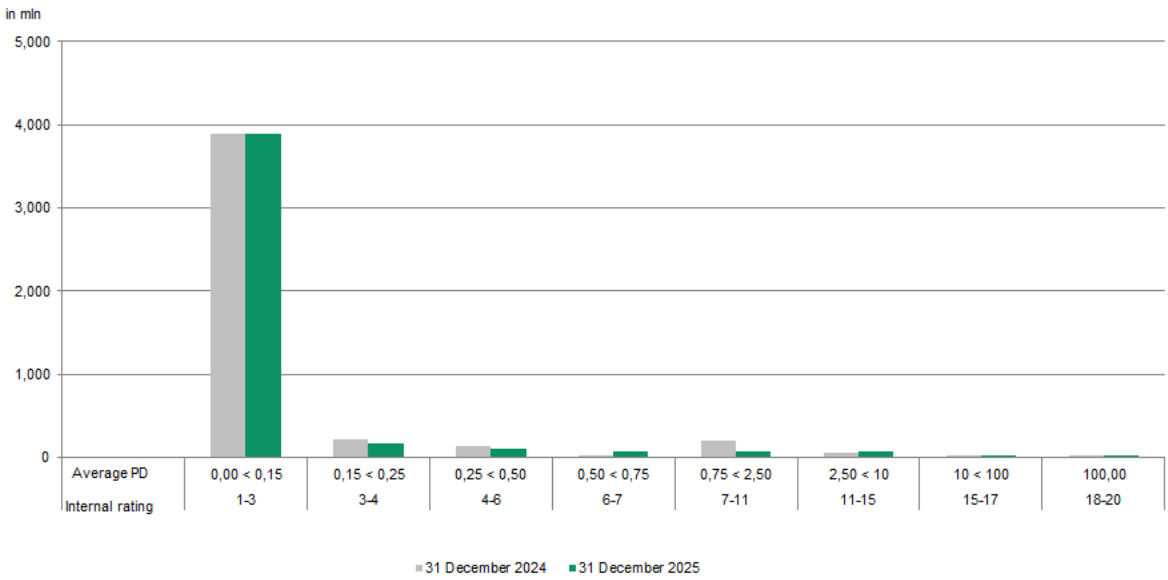
Bilateral counterparty credit risk exposures at default by approach (EU CCR1)

In millions of euros	31 December 2025					
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	*Exposure value*	*RWEA*
SA-CCR (for derivatives)	162	199		1.4	505	406
IMM (for derivatives and SFTs)			2,933	1.4	4,105	733
o/w securities financing transactions netting sets			*247*		*345*	*60*
o/w derivatives and long settlement transactions netting sets			*2,686*		*3,760*	*674*
Financial collateral comprehensive method (for SFTs)					227	122
TOTAL					**4,837**	**1,261**

In millions of euros	31 December 2024					
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	*Exposure value*	*RWEA*
SA-CCR (for derivatives)	190	182		1.40	157	24
IMM (for derivatives and SFTs)			2,913	1.55	4,515	989
o/w securities financing transactions netting sets			*66*		*102*	*8*
o/w derivatives and long settlement transactions netting sets			*2,847*		*4,413*	*981*
Financial collateral comprehensive method (for SFTs)					91	6
TOTAL					**4,763**	**1,018**

(*) Effective Expected Positive Exposure

IRB bilateral counterparty credit risk exposure at default (EU CCR4)



4.b.4. Counterparty credit risk exposures on central counterparties for cleared transactions

The capital requirements related to central counterparties (CCP) exposures correspond to an extension of the bilateral counterparty credit risk perimeter to clearing activities; it covers the cleared part of the OTC derivatives, repo portfolio as well as the listed derivatives portfolio.

It is equal to the sum of the following three elements:

- a requirement resulting from exposures generated by the clearing activities (proprietary and client clearing);
- a requirement resulting from non-segregated initial margins posted to the CCP;
- a requirement resulting from the contributions to the CCP's default fund.

For central counterparties (CCP), Regulation (EU) No. 575/2013 distinguishes qualifying central counterparties (QCCP) from non-qualifying central counterparties. Qualifying central counterparties correspond to central counterparties authorised or recognised in accordance with Regulation (EU) No. 648/2012.

The table below presents the breakdown of the risk-weighted assets by method and category of exposure to central counterparties.

Exposures to CCPs (EU CCR8)

	31 December 2025		31 December 2024	
	Exposure value	RWEA	Exposure value	RWEA
Exposures to QCCPs (total)		**143**		**108**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,662	33	840	17
(i) OTC derivatives	*123*	*2*	*222*	*4*
(ii) Exchange-traded derivatives	*-*	*-*	*-*	*-*
(iii) SFTs	*1,539*	*31*	*617*	*12*
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-			
Non-segregated initial margin	-	-	-	-
Prefunded default fund contributions	291	110	287	91
Unfunded default fund contributions	618	-	610	-
Exposures to non-QCCPs (total)		**435**		**605**
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-

(i) OTC derivatives	-	-	-	-
(ii) Exchange-traded derivatives	-	-	-	-
(iii) SFTs	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-		-	
Non-segregated initial margin	137	137	197	197
Prefunded default fund contributions	12	149	16	204
Unfunded default fund contributions	12	149	16	204

4.b.5. CVA risk

The CVA risk measures the risk of losses linked to the volatility of CVA resulting from movements in credit spreads associated with counterparties to which the Bank is exposed (see paragraph Credit Valuation Adjustments [CVA]) and other risk factors inherent to the transaction portfolio.

CRR3 introduces two new approaches for calculating capital charge for credit valuation adjustment risk:

- The standard approach, a calculation based on sensitivities similar to the FRTB standard approach for market risk capitalization;
- The basic approach, where the capital requirement for credit valuation adjustment risk is calculated according to the regulatory formula, based on the counterparty's exposure at default (EAD). BNP Paribas Fortis applies the basic approach.

CVA risk management

CVA sensitivities to credit spreads are partially offset by the recognition of hedges. These hedges correspond to credit derivatives on certain identified counterparties or indices composed of identifiable counterparties.

Instruments authorized as hedges in the calculation of the capital requirements for credit valuation adjustment risk form a sub-set of the credit derivatives used as hedges by the Global Markets business in the management of its CVA.

4.b.6. Counterparty credit risk management

Counterparty credit risk mitigation techniques

In the context of liquidity management and counterparty credit risk management, BNP Paribas Fortis systematically monitors the collateral guarantees received and given, for both the portion hedging the contracts' market value (variation margin) and the risk of an adverse change in these market values in the event of a counterparty default (initial margin). The collateral given and received used in derivative contracts is mainly comprised of cash, and to a lesser extent, debt securities.

As a general rule, when EAD is modelled in EEPE and weighted according to the IRB approach, the LGD (Loss Given Default) is not adjusted according to the collateral received since it is already taken into account in the "Effective Expected Positive Exposure" computation.

4.b.7. Capital Requirement and risk-weighted assets

Capital requirement and risk weighted assets for counterparty credit risk

	RWEA		Capital requirements	
In millions of euros	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Central Counterparty (CCP)	578	712	46	57
CVA charge	101	88	8	7
Counterparty credit risk - excl. CCP and CVA charges	1,261	1,018	101	81
Central governments and central banks	25	0	2	0
Corporates	953	812	76	65
Institutions	282	206	23	16
Retail	2	1	0	0

COUNTERPARTY CREDIT RISK	1,940	1,819	155	145

4.c. Securitisation

Asset securitisation is the process of creating a marketable financial instrument that is backed by the cash flow or value of specific financial assets. During the securitisation process, the securitised assets (e.g. consumer loans, receivables, mortgages, corporates loans, etc.) are selected and pooled together. In cash securitisation, the pooled assets are transferred into a special purpose vehicle (SPV) which issues securities that can be repurchased by the originator or sold to investors. In synthetic securitisation, the pooled assets are not transferred and remain on the balance sheet of the originator.

Securitisation as originator

BNP Paribas Fortis acts as an originator by securitising its own credit exposures in order to obtain new sources of financing and improve the liquidity of its balance sheet, and to reduce its risk and capital requirements. Where the transaction is driven by liquidity purposes, the bank typically uses cash securitisation. Where the transaction is for capital management purposes, the bank favours synthetic securitisation, ensuring the risk transfer of securitised assets through credit derivatives or guarantees.

Efficient transactions

The capital requirement of securitised credit exposures and securitisation positions depends on the risk transfer level of the transaction. When the exposures securitised by BNP Paribas Fortis in the context of own-account securitisation transactions meet the Basel eligibility criteria, in particular that of significant risk transfer as defined in Regulation (EU) No. 2017/2401, they are excluded from the calculation of credit risk-weighted assets and the securitisation transaction is said to be efficient. In this case, only the exposure on securitisation positions retained by the institution and any commitment granted to the structure after securitisation are subject to risk-weighted assets calculation.

At 31 December 2025, retained exposures on securitisation positions originated by BNP Paribas Fortis amounted to 8,764 million euros. All of the exposure corresponding to efficient securitisation transactions under Basel rules are the following:

- Park Mountain 2019: a synthetic transaction initiated in 2019 concerning 123 million euros portfolio of SME and large corporate loans;
- Park Mountain 2023: a Simple, Transparent and Standard synthetic transaction initiated in 2023 concerning 515 million euros portfolio of Belgian SME and large corporate loans;
- Harewood 2: a synthetic transaction initiated in 2023 concerning 273 million euros portfolio of CIB loans;
- Ducale 2024: a synthetic transaction initiated in 2024 concerning 853 million euros portfolio of SME and large corporate loans.
- Chancellery 2025: A Simple, Transparent and Standard synthetic securitisation transaction initiated in 2025 concerning 4,700 million euros portfolio of exclusively large corporate loans.
- Ducale 2025: a synthetic transaction initiated in 2025 concerning 2,300 million euros portfolio of SME and large corporate loans.

In millions of euros	Securitised exposures originated by BNP Paribas Fortis	
	31 December 2025	31 December 2024
Synthetic	8,764	2,906
*of which STS**	*5,215*	*820*

(*) Simple, Transparent and Standards securitisation programmes. Qualifying as an STS on balance sheet securitisation facilitates a lower risk weight on senior tranche retained by the originator

Bass Master Issuer NV/SA and Esmée Master Issuer NV/SA

BNP Paribas Fortis has created a special purpose vehicle (SPV) called Bass Master Issuer NV/SA to securitise residential mortgage loans originally granted by BNP Paribas Fortis, and an SPV called Esmée Master Issuer NV/SA designed to securitise loans to self-employed people and small and medium-sized enterprises originally granted by

BNP Paribas Fortis. These securitisation vehicles are fully consolidated and, hence, the securitised assets are reported on-balance in the Consolidated Financial Statements. Exposures in Bass Master Issuer NV/SA and Esmée Issuer NV/SA are excluded from the table above as bonds issued under these programmes have not been sold so far to third parties and are therefore not regarded as efficient under the current Basel requirements.

BNP Paribas Fortis NV/SA transfers monthly interest and principal repayments on the securitised loans to both Bass Master Issuer NV/SA and Esmée Master Issuer NV/SA. To the extent permitted under the provisions of the programme, the two SPVs use the capital receipts to purchase new loans from BNP Paribas Fortis NV/SA. The interest payments which the two SPVs receive are hedged on a quarterly basis against the interest payable on the issued bonds.

Additional information on the structure of Bass and Esmée can be found on the BNP Paribas Fortis' website: https://www.bnpparibasfortis.be/en/public/about-us/investors/asset-based-funding/securitization.

Securitisation as investor

BNP Paribas Fortis has made investments in a variety of ABS/MBS (asset-backed securities/mortgage-backed securities), with a clear focus on differentiating deal ticket size and diversification by asset type and geographical distribution, ranging from European prime residential mortgage-backed securities (RMBS), to US student loans, commercial MBS, and small business loans. Redemptions from these assets are no longer reinvested in the ABS/MBS portfolio.

BNP Paribas Fortis' structured credits are overweighted in investment grade securities (54.4% of the portfolio is investment grade). BNP Paribas Fortis' credit risk exposures arising from these transactions as of year-end 2025 and the valuation methods applied are described in the Annual Report 2025.

The bank's activities in each of these roles as described above

In millions of euros	31 December 2025	31 December 2024
Originator(*)	9,914	2,937
Sponsor	0	0
Investor	259	335
TOTAL EXPOSURE	**10,173**	**3,271**

(*) Efficient securitisation program

4.d. Equity risk

Exposure

Exposure under the standard method at 31 December 2025 amounted to 3.0 billion euros, versus 2.3 billion euros at 31 December 2024.

Scope

Equity interests held by the bank outside the trading portfolios are securities "conferring residual and subordinated rights on issuer's assets or income, or securities representing similar economic nature". They encompass:

- listed and unlisted equities, including shares in investment funds;
- embedded options of convertible bonds, redeemable or exchangeable for equities;
- equity options;
- super subordinated notes;
- private funds on given commitments;
- equity holdings hedge;
- shares of consolidated entities using the equity method.

Accounting principles and valuation methods

Accounting principles and valuation methods are set out in note 1.g to the consolidated financial statements – *Financial assets and liabilities.*

Total gains and losses

Total unrealised gains and losses recorded in shareholders' equity are set out in note 4.c to the consolidated financial statements – *Financial assets at fair value through other comprehensive income.*

Risk-weighted assets

The standard weighting method gives the following risk weights for the calculation of risk-weighted assets:

- 0% for equity exposures related to central banks.
- 100% for equity exposures held under legislative or regulatory programs, which are implemented by public authorities and aim to support economic objectives.
- 250% for equity investments held for medium- to long-term value creation within the Principal Investments activity, as well as listed equity exposures, mainly including holdings related to the bank's business lines, significant financial participations, and investments with a minimum holding period of 3 years.
- 400% for speculative unlisted equity investments with a maximum holding period of 3 years.

Equity exposures under the standard method (EU CR10)

In millions of euros	31 December 2025					
	On-balance sheet gross exposure	Off-balance sheet gross exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Equity exposures to Central banks	0	0	0%	0	0	0
Equity exposures incurred under legislative programmes	0	0	100%	0	0	0
Other Equity exposures	2,945	7	250%	2,948	7,369	0
Investments for short-term resale purposes and investments in venture capital firms or similar investments which are acquired in anticipation of significant short-term gains	1	0	400%	1	5	0
Total	**2,946**	**7**		**2,949**	**7,374**	**0**

In millions of euros	31 December 2024					
	On-balance sheet gross exposure	Off-balance sheet gross exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Private equity exposures	309	10	190%	314	597	3
Exchange-traded equity exposures	152	0	290%	152	441	1
Other equity exposures	364	0	370%	364	1,346	9
Sub-total Simple weighting	**825**	**10**		**830**	**2,384**	**12**
Standardised approach	2,328	7		2,332	5,847	
TOTAL	**3,153**	**18**		**3,162**	**8,231**	**12**

The bank holds no significant financial interest in insurance undertakings consolidated under the equity method in the prudential scope and benefitting from the provision laid down in art 49 of the CRR in relation to exemptions of such equity holdings from own funds deduction (EU-INS1).

5. MARKET RISK

Market risk is the risk of incurring a loss of value due to adverse moves in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, foreign exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

In fixed-income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or securities may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

Market risk is split into two parts:

- market risk linked to trading activities and corresponding to trading instruments and derivative contracts;
- market risk linked to banking activities covering the interest rate and foreign exchange risks originating from the bank's intermediation activities.

5.a. Capital requirement and Risk-Weighted Assets for market risk

Market Risk Capital Requirement and Risk-Weighted Assets

	RWEA		Capital requirements	
In millions of euros	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Internal model	**566**	**778**	**45**	**62**
Value at Risk (VaR)	96	158	8	13
Stressed VaR (SVaR)	410	566	33	45
Incremental Risk Charge (IRC)	59	54	5	4
Standardised approach	**1,234**	**1,237**	**99**	**99**
MARKET RISK	**1,799**	**2,016**	**144**	**161**

At BNP Paribas Fortis, the market risk is primarily covered by internal models.

Market risk under the internal Model approach (IM) (EU MR2-A)

	31 December 2025		31 December 2024	
In millions of euros	RWEA	Capital requirements	RWEA	Capital requirements
VaR (higher of values a and b)	**96**	**8**	**158**	**13**
Previous day's VaR (VaRt-1) (a)		3		4
Multiplication factor (mc) x average of previous 60 working days (VaRavg) (b)		8		13
SVaR (higher of values a and b)	**410**	**33**	**566**	**45**
Latest available SVaR (SVaRt-1) (a)		9		12
Multiplication factor (ms) x average of previous 60 working days (sVaRavg) (b)		33		45
IRC (higher of values a and b)	**59**	**5**	**54**	**4**
Most recent IRC measure (a)		5		4
12 weeks average IRC measure (b)		4		4
Comprehensive risk measure	**-**	**-**	**-**	**-**
TOTAL	**566**	**45**	**778**	**62**

The market risk calculated using the standardised approach covers the market risk of some entities of the bank that are not covered by internal models. The standardised approach is used to calculate foreign exchange risk and raw materials risk for the banking book.

Market risk under the standardised approach (EU MR1)

	31 December 2025		31 December 2024	
In millions of euros	RWEA	Capital requirements	RWEA	Capital requirements
Outright products				
Interest rate risk (general and specific)	98	8	98	8
Equity risk (general and specific)	-	-	-	-
Foreign exchange risk	1,044	84	1,091	87
Commodity risk	92	7	48	4
Options				
Simplified approach	-	-	-	-
Delta-plus approach	-	-	-	-
Scenario approach	-	-	-	-
Securitisations (specific risk)	**-**	**-**	**-**	**-**
TOTAL	**1,234**	**99**	**1,237**	**99**

5.b. Market risk related to trading activities

5.b.1. Introduction

Market risk arises from trading activities carried out by the Corporate and Institutional Banking business and encompasses different risk factors:

- Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates;
- Foreign exchange risk is the risk that the value of an instrument will fluctuate due to changes in foreign exchange rates;
- Equity risk arises from changes in the market prices and volatility of equity shares and/or equity indices;
- Commodities risk arises from changes in the market prices and volatility of commodities and/or commodity indices;
- Credit spread risk arises from the change in the credit quality of an issuer and is reflected in changes in the cost of purchasing protection on that issuer;
- Option products carry by nature volatility and correlation risks, for which risk parameters can be derived from option market prices observed in an active market.

The trading activities of BNP Paribas Fortis and its subsidiaries are justified by the economic relations with the direct customers of the business lines, or indirectly as part of market-making activities.

5.b.2. Market risk management organisation

The market risk management system tracks and controls market risks and financial instrument valuation whilst ensuring that the control functions[4] remain fully independent from the business lines.

Within RISK, two departments are responsible for monitoring market risk related to trading activities:

- RISK Markets & Financial Institutions (MFI) covers the market risk activities of Global Markets;
- RISK EM covers international retail market activities outside the eurozone.

This mission consists of defining, measuring and analysing risk factors and sensitivities, as well as measuring and controlling Value at Risk (VaR), the global indicator of potential losses. RISK ensures that all business activities comply with the limits approved by the various committees and approves new activities and major transactions, reviews and approves position valuation models and conducts a monthly review of market parameters (MAP review) in association with the Valuation and Risk Control Department (V&RC).

Market risk and financial instrument valuation monitoring is structured around several formal committees:

- The Financial Markets Risk Committee (FMRC) is the main committee governing the risks related to capital markets. It is responsible for addressing, in a consistent manner, the issues related to market and counterparty risk. The FMRC follows the evolution of the main exposures and stress risk and sets the high level trading limits. The BNPP Fortis FMRC meets once every quarter and is chaired by either the CEO, the Head of Corporate Banking, the Head of Corporate Coverage & CIB Belgium or the CRO;
- The Product and Financial Control Committee (PFC) is a Group Committee and the arbitration and decision-making Committee regarding financial instrument valuation matters. It meets quarterly to discuss the conclusions of the CIB Financial Control teams and their work to enhance control effectiveness and the reliability of the measurement and recognition of the results of market transactions. It is chaired by the Group Chief Financial Officer and brings together the Directors of Group Finance-Accounting, Corporate Institutional Banking and RISK;
- At business unit level, the BNPP Fortis Valuation Review Committee (VRC) meets monthly to examine and approve the results of the Market Parameters Review (MAP review) and any changes in reserves. The Valuation Review Committee also acts as referee in any disagreements between trading and the control functions. The committee is chaired by a Senior Trader and other members include representatives from Trading, RISK and Finance. Any disagreement is escalated to the PFC;
- The Group's Valuation Methodology Committee (VMC) meets quarterly per business line to monitor model approvals and reviews, to follow up relevant recommendations and to present model governance improvements. The committee is chaired by RISK and is composed of representatives of Trading Research and CIB Valuation and Risk Control ("V&RC") and Finance. Any disagreement can be escalated to the PFC, which can make an arbitrage decision.

As part of BCBS 239 Principles for effective risk data aggregation and risk reporting by the Basel Committee, a quarterly reconciliation process ensures that the entire trading portfolio of Front Office systems is correctly represented in the Group's RISK and Finance & Strategy systems, and in particular:

- The respect of the boundaries between trading book and banking book activities;
- The completeness of the market risk internal model: to each portfolio and entity generating market risk related to trading activities corresponds a capital charge.

This quarterly process is structured around the Effective Coverage of Portfolios Committee (EC) that validates the results of the reconciliation, the corrective and preventive actions undertaken following potential observed differences.

5.b.3. Valuation control

Financial instruments in the prudential trading book are valued and reported at market or model value through P&L, in compliance with applicable accounting standards. Such can also be the case for certain financial instruments classified in the banking book.

---

[4] *RISK, Compliance, Internal Audit and Legal*

Portfolio valuation control is performed in accordance with the Charter of Responsibility for Valuation, which defines the division of responsibilities. These governance policies and practices apply to all Capital Markets and Treasury activities, including the main ALM centre.

In addition to the Charter of Responsibilities, the relevant valuation controls are detailed in specific policies. We detail below the main processes that together form the valuation control governance.

Transaction booking control

This control comes under the responsibility of the Middle-Office within the Operations Department. However, certain complex transactions are controlled by RISK.

Market Parameter (MAP) Review – Independent Price Verification

Price verification is managed jointly by Valuation and Risk Control (V&RC) and RISK. A comprehensive formal review of all the market parameters is performed at month-end. The types of parameters controlled by V&RC are essentially the parameters for which an automatic control against external sources can be implemented (security prices, vanilla parameters); this may include the use of consensus price services. The RISK function of the Group is in charge of controlling valuation methodologies as well as the most complex parameters, which are highly dependent on the choice of models.

The general principles of the Market Parameter Reviews are described in the Charter of Responsibility on Valuation and in specialised global policies such as the Global Marking and Independent Price Verification Policy and MAP review principles. The specific methodologies are described in documents known as the MAP books organised by product lines and regularly updated. The parameters are described in the Market Data Cartography which is maintained by V&RC. The responsibilities of RISK and V&RC are defined for each point in time and conclusions of the Market Parameter reviews are documented in the MAP review finding documents.

The outcome of the market parameter review is the estimation of valuation adjustments communicated to Middle Office and Finance for entry into accounting records. The results are communicated to the Trading management during Valuation Review Committee meetings, where a final decision or escalation is made. The opinion of the Control functions prevails. Any significant persistent disagreement can nevertheless be escalated to the PFC.

Models approval and reviews

For operations whose nature is common to BNP Paribas and BNP Paribas Fortis, BNP Paribas Fortis uses BNP Paribas models. Should BNP Paribas Fortis have specific products or activities not monitored outside BNP Paribas Fortis, RISK BNP Paribas Fortis would, in close cooperation with RISK BNP Paribas, draw up official valuation methodologies and reserve policies. In this case, RISK BNP Paribas Fortis would also be responsible for the 'models/products' mapping. The whole BNP Paribas model control framework must guarantee that the use of models is compliant with the IFRS standard relating to the fair value measurement of financial instruments.

Reserve and other valuation adjustments

RISK defines and calculates "reserves". These are adjustments to the market or model value affecting both the accounting valuation and regulatory capital. They can be considered either as the exit cost of a position or as premium for risks that cannot be diversified or hedged, as appropriate.

The reserves cover mainly:

- bid-offer and liquidity spreads;
- model or market parameter uncertainties;
- the elimination of non-hedgeable risks (smoothing digital or barrier pay-offs).

A general valuation adjustment policy exists. Reserve methodologies are documented by RISK for each product line and these documents are updated regularly. The analysis of reserve variations is reported at the monthly VRC.

Reserve methodologies are regularly improved and any change is deemed to be a Valuation Model Event. Reserve improvements are generally motivated by the conclusion of a model review or by calibration with market information during the market parameter review process.

Additional Prudent Valuation Adjustments (PVA) are calculated in accordance with the last version of the Regulatory Technical Standards (RTS) published by the EBA on 23 January 2015. The RTS requires banks to estimate the price of their fair-valued positions using at least a 90% level of confidence.

There are different categories of PVA, the main ones being linked to close-out costs, market price uncertainty, concentration risk and model risk. Based on these PVA, BNP Paribas Fortis computes Additional Valuation Adjustments

(AVA) including reserves already taken into account in the Fair Value as well as the diversification mechanism described in the RTS.

From a prudential perspective, AVA are deducted from the Common Equity Tier 1 capital.

Day-one profit or loss

Some transactions are valued using 'non-observable' parameters. IFRS 9 requires the recognition of any day-one P&L for non-observable transactions to be deferred where the initial model value has to be calibrated with the transaction price.

RISK works with Group Finance, Middle Offices, and Business Lines on the process of identifying and handling these profit and loss items, in order to determine whether a type of parameter or transaction is observable or not in accordance with the observability rules, which are duly documented.

The P&L impact of the P&L deferral is calculated by the Middle Office.

Observability rules are also used for the financial disclosures required by IFRS 7.

During 2025, no day-one-profit was booked for transactions at BNP Paribas Fortis.

5.b.4. Market risk exposure

Market risk is first analysed by systematically measuring portfolio sensitivity to various market parameters. The results of these sensitivity analyses are compiled at various aggregated position levels and compared with market limits.

Risk monitoring setup and limit setting

BNP Paribas Fortis uses an integrated system to follow up on trading positions on a daily basis and manage VaR calculations. This system tracks not only the VaR, but also detailed positions and sensitivities to market parameters based on various simultaneous criteria (such as by currency, product or counterparty). This system is also configured to include trading limits, reserves and stress tests.

Responsibility for limit setting and monitoring is delegated at three levels, which are, in order of decreasing importance, FMRC, Business Line and Activity. Hence delegation exists from FMRC level right down to trading heads. Limits may be changed either temporarily or permanently, in accordance with the level of delegation and the prevailing procedures. Appropriate escalation mechanisms are in place to ensure that the independent view from the RISK department regarding the level of limits is heard.

Core risk analysis and reporting to Executive Management

RISK reports, through various risk analyses and dashboards, to Executive Management and Business Lines Senior Management on its risk analysis work (limits, VaR monitoring, core risk analysis, etc.).

The following risk reports are generated on a regular basis:

- Bi-weekly 'Main Position' reports for each business line, summarising all positions and highlighting items needing particular attention; these reports are mainly intended for business line managers;
- Monthly risk dashboard covering Capital Markets' market and counterparty risks;
- Supporting documentation for the core Financial Markets Risk Committee comprising markets and risk event summaries, global counterparty exposure summary, VaR/Stressed VaR evolution, market and counterparty risk stress testing and capital evolution summaries, and market and counterparty risk backtesting.

Value at Risk (VaR)

The VaR is a statistical measure indicating the worst loss for a given portfolio over a given time period within a given confidence interval under normal market conditions. It is not a maximum loss figure and may be exceeded in some cases, for example in the event of abnormal market conditions.

The BNP Paribas Fortis VaR methodology aims at accurately computing a 1-day Value at Risk at a 99% confidence level. The BNP Paribas Fortis VaR calculation uses an internal model which has been approved by the banking supervisor.

The VaR calculation is based on a Monte-Carlo approach, which not only performs normal or log-normal simulations but also accounts for abnormality often observed in financial markets as well as correlation between risk factors. A one year rolling window of historical market data with equal weighting (updated bi-weekly) is used to calibrate the simulation.

The main groups of simulated factors include interest rates, credit spreads, exchange rates, equity prices, commodity prices and associated implied volatilities. Risk factors returns are either relative or absolute.

The precise valuation method used varies depending not upon the product but upon the type of risk the bank is capturing. Generally speaking, the methods used are either sensitivity-based or full-revaluation-based on P&L grid interpolation so as to incorporate both linear and - especially for derivatives - non-linear effects. In both cases, BNP Paribas Fortis computes general and specific risk as a whole, including the diversification effect through the correlation between risk factors.

The algorithms, methodologies and sets of indicators are reviewed and improved regularly to take into account the evolution of the capital market.

Following agreement with the Belgian and French regulators (NBB and ACPR), the BNP Paribas internal model has been extended since 2011 to BNP Paribas Fortis. For information purposes, the market risk calculated based on the standardised approach only represents 25.1% of the total capital charge for market risk of BNP Paribas Fortis on 31 December 2025.

The VaR is a measure that does not take into account losses above the confidence interval and is not applicable to losses linked to intraday market movements. Risk measures like the SVaR and IRC complete the monitoring framework and the market risk management within BNP Paribas Fortis.

Evolution of the VaR (one-day, 99%)

The VaR figures set out below are calculated from the internal model for market risk, which uses parameters that comply with the regulation in place. They are based on a one-day time horizon and a 99% confidence interval.

In 2025, total average VaR was 1.0 million euros (with a minimum of 0.6 million euros and a maximum of 2.2 million euros), after taking into account the (0.3) million euros netting effect between the different types of risks. These amounts break down as follows:

Value at Risk (1-day, 99%)

	31 December 2025				31 December 2024	
In millions of euros	Average	Minimum	Maximum	End of Year	Average	End of Year
Interest rate risk	1.0	0.5	2.2	0.8	1.0	1.3
Credit risk	0.2	0.1	0.5	0.1	0.3	0.2
Foreign exchange risk	0.1	0.1	0.5	0.1	0.2	0.1
Equity risk	-	-	-	-	-	-
Commodity price risk	-	-	-	-	-	-
Netting effect	(0.4)	(0.1)	(1.0)	(0.3)	(0.4)	(0.4)
TOTAL VALUE AT RISK	**1.0**	**0.6**	**2.2**	**0.8**	**1.1**	**1.3**

Backtesting the VaR

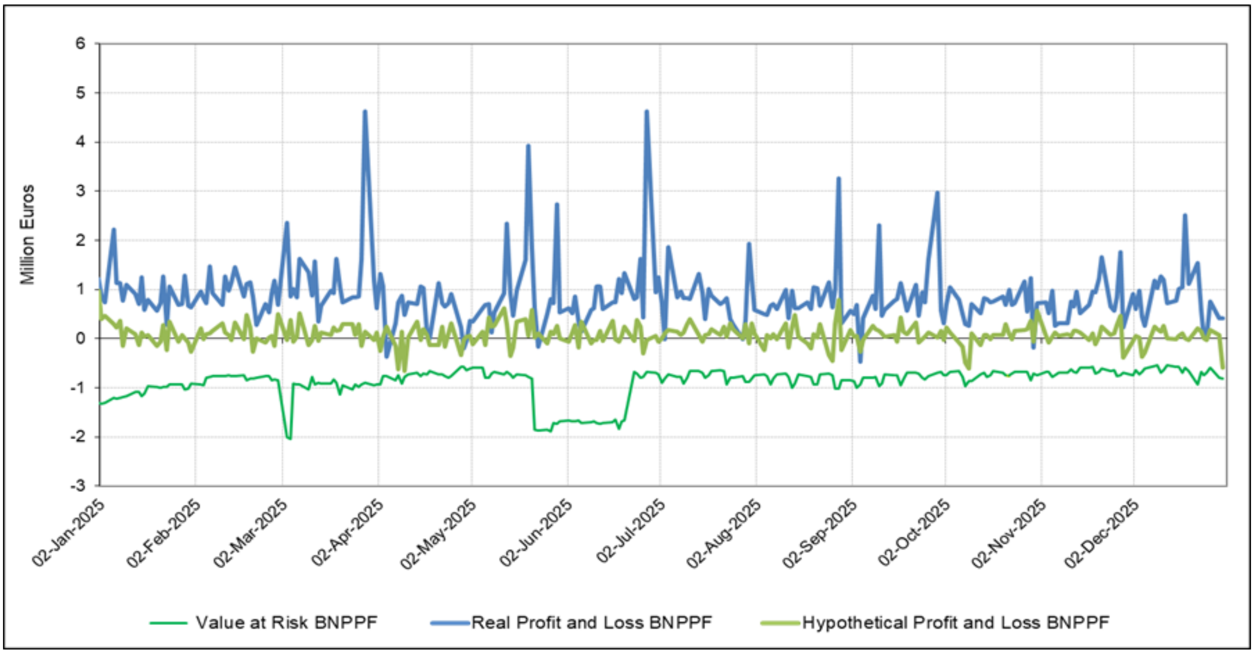
RISK continuously tests the accuracy of the internal model through a variety of techniques including a regular comparison over a long period between the daily losses on market activities with the VaR (1 day).

This backtesting consists in comparing the daily VaR in the trading book with the actual result generated. According to regulations, BNP Paribas completes this framework ("real backtesting") by a comparison of daily VaR and "hypothetical" results generated by the trading portfolio ("hypothetical backtesting"). The "hypothetical" result includes all the components of the actual result except intra-day income, fees and commissions. A backtesting event is reported when a loss, real or hypothetical, exceeds the amount of daily VaR. The confidence interval used to calculate the daily VaR is 99%, which corresponds theoretically to two to three events observed per year.

The number of events is computed at least quarterly and is equal to the higher of the number of overshootings (excesses) for the hypothetical and real changes in the portfolio's value.

During 2025, no backtesting event was observed.

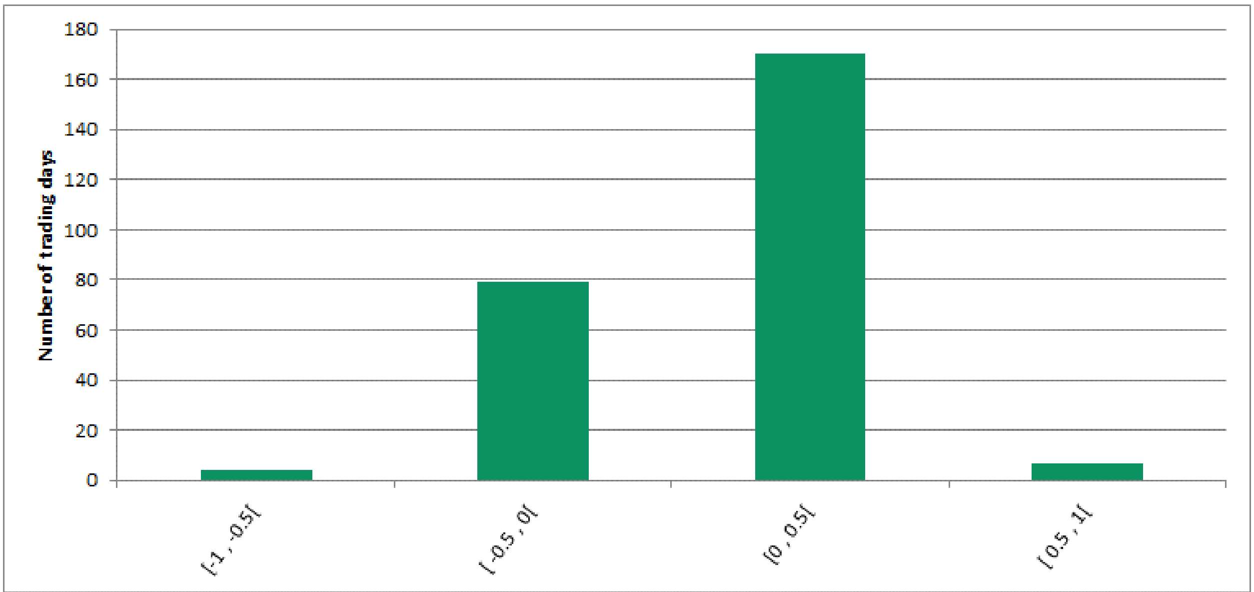
Comparison between (1-day, 99%) VaR and daily trading revenues



Distribution of daily income

The following histogram presents the distribution of the daily trading revenues of BNP Paribas Fortis. It indicates the numbers of trading days during which the revenue reached each of the levels indicated on the horizontal axis in millions of euros.

Distribution of daily trading revenues (in millions of euros)



Trading activities generate a positive result for more than 68,08% of the trading days of 2025.

Evolution of the VaR (10-day, 99%)

The VaR figures set out below are calculated from an internal model, which uses parameters that comply with the method recommended by the Basel Committee for determining estimated Value at Risk. They correspond to measurements taken into account within the framework of monitoring market limits. These are based on a ten-day time horizon and a 99% confidence interval, extrapolated from 1-day VaR amounts with the same confidence interval.

In 2025, total average VaR for BNP Paribas Fortis was 3.1 million euros (with a minimum of 1.8 million euros and a maximum of 7.1 million euros), after taking into account the (0.9) million euros netting effect between the different types of risks. These amounts break down as follows:

Value at Risk (10-day, 99%)

	31 December 2025				31 December 2024	
In millions of euros	Average	Minimum	Maximum	End of Year	Average	End of Year
Interest rate risk	3.0	1.7	7.0	2.6	3.3	4.1
Credit risk	0.7	0.3	1.5	0.4	0.9	0.7
Foreign exchange risk	0.5	0.2	1.6	0.4	0.6	0.5
Equity risk	-	-	-	-	-	-
Commodity price risk	-	-	-	-	-	-
Netting effect	(1.1)	(0.4)	(3.1)	(0.9)	(1.4)	(1.1)
TOTAL VALUE AT RISK	**3.1**	**1.8**	**7.1**	**2.6**	**3.4**	**4.2**

Stressed VaR (10-day, 99%)

A Stressed VaR (SVaR) is calibrated over a one-year period including a crisis period. This period applies across the Group, which must have comprehensive market data to calculate the risk measurements and remain relevant when applied to the current trading book. An expert committee reviews the period on a quarterly basis in accordance with a quantitatively informed approach among the three scenarios that generate the maximum stressed risk measures.

The current reference period for calibrating stressed VaR is from 2 July 2008 to 30 June 2009.
BNP Paribas Fortis uses the same methodology as to compute the VaR, considering the market parameters on this reference period.

Stressed value at Risk (10-day, 99%)

	31 December 2025				31 December 2024	
In millions of euros	Average	Minimum	Maximum	End of Year	Average	End of Year
STRESSED VALUE AT RISK	**10.4**	**-**	**15.8**	**8.6**	**11.8**	**12.1**

Incremental Risk Charge (IRC)

The IRC approach measures losses due to default and ratings migration at the 99.9% confidence interval over a capital horizon of one year, assuming a constant level of risk.

The perimeter to which the IRC is applied, covers mainly vanilla credit products (bonds and CDS excluding securitisation products) of the trading portfolio. The calculation of IRC is based on the assumption of a constant level of risk to the one-year capital horizon, implying that the trading positions or sets of positions can be rebalanced within this horizon in a manner that maintains the initial risk level. Maturing or defaulting positions are also renewed at the start of this 'liquidity horizon'.

The internally developed model is built around a ratings-based simulation for each obligor, which captures both the risk of the default and the risk of rating migration. The dependency between debtors is integrated into a multi-factor asset return model, resulting in the rating migration, potential default and changes in credit spreads.

The returns for each obligor depend on 4 factors:

- A specific factor;
- 3 systemic factors: a global one, a geographical one (three regions) and a sectorial one (12 sectors of which one dedicated to sovereign entities).

The calibration of the model is performed quarterly over a period extending from 1 February 2010 until the end of the previous quarter preceding the calculation date, and is based on time series of CDS spreads and the price of corporate and institutional shares.

The simulated returns are used to calculate the probability of change in rating – which is assigned to a credit rating scenario, then a credit spread – and to define a price variation grid associated with each debtor within a credit rating scenario. Positions that can be broken down by debtor are thus valued in the various simulated scenarios. Non-linear products such as credit index options are revalued directly.

Comprehensive risk measure (Correlation portfolio)

The comprehensive risk measure (CRM) is a charge for structured credit correlation products in the trading books. The CRM is not applicable to BNP Paribas Fortis.

Components of the risk-weighted assets calculation for market risk under the internal model approach

IM values for trading portfolios (EU MR3)

In millions of euros	31 December 2025	31 December 2024
VaR (10 days, 99 %)		
Maximum	7.09	4.93
Average	3.07	3.36
Minimum	1.84	2.26
End of Year	2.57	4.19
SVaR (10 days, 99 %)		
Maximum	15.83	15.78
Average	10.45	11.83
Minimum	-	-
End of Year	8.59	12.14
IRC (99,9 %)		
Maximum	5.69	7.73
Average	4.72	5.25
Minimum	3.59	3.60
End of Year	4.70	4.30
CRM (99,9 %)		
Maximum	-	-
Average	-	-
Minimum	-	-
End of Year	-	-

Securitisation positions in trading books outside correlation portfolio

No additional capital charge for re-securitisation is applicable to BNP Paribas Fortis.

5.b.5 Market Risk stress testing framework

A range of stress tests are performed to simulate the impact of extreme market conditions on the value of the global trading books. Stress tests cover all market activities, applying a range of stressed market conditions.

Scenarios

The fundamental basic approach of the current trading book stress testing framework combines 'bottom-up' and 'top-down' stress testing:

- Macro Scenarios ('top-down') comprise the evaluation of a set of global level stress tests. These scenarios assess the impact of severe market movements on BNP Paribas Fortis' trading positions in relation to large global or major regional market shock events. They can be based on historical events or forward-looking hypothetical scenarios. Scenarios include events such as an emerging markets crisis, credit crunch or stock market crash.

  The official macro stress test scenarios currently comprise a range of nine different stress tests. The results of these scenarios are reviewed at every Financial Markets Risk Committee session.

  - Scenario 1: unexpected rate hike, driving short-term rates higher with a flattening of the interest rate curve;
  - Scenario 2: stock market crash, with a 'flight to quality', leading to a drop in trading and a steepening of the interest rate curve;
  - Scenario 3: generic emerging market crisis designed to test the global risk of these markets;
  - Scenario 4: credit crunch, leading to a general risk-aversion;

- Scenario 5: euro crisis: low GDP[5] expectations or threat of a country leaving the euro and a significant weakening of the currency;
- Scenario 6: energy crisis scenario driven by geopolitical turmoil with severe consequences for energy markets;
- Scenario 7: US crisis scenario, mostly based on a structural US crisis spreading round the globe;
- Scenario 8: risk-on scenario: rally in equity and emerging markets, low realised volatility and drop in implied volatility in all markets (effectively a return to risky assets);
- Scenario 9: a general sell off scenario.

▪ Micro Level Scenarios ('bottom-up', at Group level): instead of looking at the effect on the global portfolio, these types of scenarios aim to highlight risk exposures on specific trading desks, regions or risk concentrations. This bottom-up approach enables the use of more complex stress scenarios and hence allows the detection of areas of potential losses such as complex market dislocations or idiosyncratic risk, which may not be easily identified under the global macro scenarios. This process facilitates the classification of risk areas into those where there may be lower liquidity and those where the risk may be more structural in nature.

Process

The analysis of the worst of the above scenarios represents the adverse scenario for the trading books. These official macro stress scenarios are presented at each Financial Markets Risk Committee along with the adverse scenario.

Stress testing is governed by the Capital Markets Stress Testing Steering Committee (STSC). The committee meets approximately monthly and sets the direction of all internal risk departmental stress scenario developments, infrastructure, analysis and reporting. The STSC governs all internal stress testing matters relating to both market and counterparty risk and decides upon the detailed definition of the FMRC stress tests.

Stress testing is the core element of tail risk analysis, which is also captured through Stressed Value at Risk, the Incremental Risk Charge and the Comprehensive Risk Measure. Furthermore, the risk of a rare event used in the form of the 'average loss in addition to VaR' (Expected Shortfall) in allocating capital in respect of market risk between business lines is an additional element allowing tail risk in the management and monitoring of market risk to be taken into account.

5.c. Market risk related to banking activities

Market risk relating to banking activities encompasses the risk of loss on equity positions on the one hand, and the interest rate and currency risks stemming from banking intermediation activities and investments on the other hand. The equity and currency risk give rise to a weighted assets calculation under Pillar 1; interest rate risk in relation to banking activities falls under Pillar 2.

Interest rate and currency risks in respect of banking intermediation activities mainly relate to Retail Banking activities, the bank's specialised financing subsidiaries (Leasing Solutions, Factoring, Arval), the CIB financing businesses and the bank's own investments, funding and hedging transactions. These risks are managed by the ALM Treasury Department.

In BNP Paribas Fortis ALM Treasury reports to the Chief Financial Officer; BNP Paribas Group ALM Treasury has functional authority over the BNP Paribas Fortis ALM Treasury staff.

Strategic decisions regarding the interest rate and the currency risk in respect of the banking intermediation activities are made by the Asset and Liability Committee (ALCo), which oversees ALM & Treasury activities; such committees have been set up at Group and at local Management Perimeter level. The Management Perimeter of BNP Paribas Fortis consists of a homogeneous group of prudentially consolidated entities of the bank.

5.c.1. Currency risk

Calculation of risk-weighted assets

Currency risk relates to all transactions whether part of the trading book or not.

[5] *Gross Domestic Product*

Exposure to currency risk is determined under the standardised approach, using the option provided by the banking supervisor to limit the scope to operational currency risk, except for BNP Paribas Fortis Belgium's currency risk which is calculated using the internal model approved by the banking supervisor.

BNP Paribas Fortis entities calculate their net position in each currency, including the euro. The net position is equal to the sum of all asset items less all liability items plus off-balance sheet items (including the net forward currency position and the net delta-based equivalent of the currency option book), minus structural, non-current assets (long-term equity interests, property, plant and equipment, and intangible assets). These positions are converted into euros at the exchange rate prevailing at the reporting date and aggregated to give the bank's overall net open position in each currency. The net position in a given currency is 'long' when assets exceed liabilities and 'short' when liabilities exceed assets. For each entity, the net currency position is balanced in the relevant currency (i.e. its reporting currency) such that the sum of long positions equals the sum of short positions.

The rules for calculating the capital requirements for currency risk are as follows:

- Matched positions in currencies of Member States participating in the Economic and Monetary Union are subject to a capital requirement of 1.6% of the value of the matched positions;
- Positions in closely correlated currencies are subject to a capital requirement of 4% of the matched amount;
- Other positions, including the balance of unmatched positions in the currencies mentioned above, are subject to a capital requirement of 8% of their amount.

Currency risk and hedging of net income generated in foreign currencies

BNP Paribas Fortis' exposure to operational currency risks stems from net income in currencies other than the euro. The bank's' policy is to hedge on a monthly basis all its non-EUR net income against EUR.

Currency risk and hedging of net investments in foreign operations

BNP Paribas Fortis' currency position on investments in foreign operations arises mainly from interests denominated in foreign currencies.

The bank aims at mitigating the structural foreign exchange risk arising from net investments in controlled subsidiaries which are denominated in currencies that are different from the functional currency of the parent entity.

The objective of structural FX management is twofold:

- limiting the potential adverse impacts of FX changes on the Common Equity Tier 1 (CET1) ratio within acceptable range;
- managing the impact on prudential own funds due to Structural net Open Positions (SOP), and on the patrimonial value of the accounted consolidated Group, taking into account the potential foreign currency impacts of long term non-monetary investments and the foreign currency costs of funding ('carry') to mitigate the foreign exchange risk.

It is worth highlighting that it is not possible to neutralise the potential adverse impacts of changes in FX rates on both CET1 ratio and prudential own funds. Indeed, mitigating the sensitivity of CET1 ratio requires keeping an open SOP position that would affect own funds through OCI with the re-evaluation of its FX component. Conversely, neutralizing the impact of changes in FX rates on own funds would lead to CET1 ratio that would be sensitive to changes in FX rates.

5.c.2. Interest rate risk

5.c.2.1. Organisation of Interest rate risk management

The Board of directors assigns responsibility to the Chief Executive Officer for the management of interest rate risk in the banking book; the Chief Executive Officer delegates the management responsibility to the Bank Asset and Liability Management Committee (ALCo). The permanent members of the Bank ALCo are listed in the governance part under chapter 9, section 9.a Liquidity risk management and policy.

The bank ALCo which meets on a monthly basis is responsible for defining the interest rate risk profile of the bank's banking book and for defining and tracking interest rate risk monitoring indicators and assigning limits.

ALM Treasury is in charge of the operational implementation of decisions related to the management of the interest rate risk of the banking book.

The RISK function participates in the ALCo and oversees the implementation by ALM Treasury of the relevant decisions made by this committee. It also provides second-line control by reviewing the models & risk indicators, monitoring the level of risk indicators and ensuring compliance with the limits assigned.

The banking book includes all interest bearing assets and liabilities of all the business lines of BNP Paribas Fortis (including the ALM Treasury own investment and hedging transactions) with the exception of authorised trading activities (being client hedging and market making).

Transactions initiated by each BNP Paribas Fortis Business Line are systematically transferred to ALM Treasury by internal analytical contracts booked in the management accounts or by loans and borrowings.

The bank's strategy for managing interest rate risk is mainly based on closely monitoring the sensitivity of the bank's interest earnings to changes in interest rates, factoring in all interest rate risks (repricing or gap risk, basis risk and optional risk); the objective is to ensure the stability and regularity of the total net interest margin. This management process requires an accurate assessment of the risks incurred so that the bank can determine and implement the most optimal hedging strategies.

Interest rate risk is mitigated using a range of different instruments, the most important of which are derivatives - primarily interest rate swaps and options. Interest rate swaps are used to change the linear risk profile, which is mainly due to long-term fixed-rate assets and liabilities. Options are used to reduce non-linear risk, which is mainly caused by embedded options sold to clients, e.g. prepayment options on mortgages, floors on deposits.

5.c.2.2. Measurement of interest rate risk

Interest rate positions in the banking book are measured and monitored through a number of indicators, taking into account the specific features of the risks managed. The choice of indicators and the risk modelling are reviewed by RISK. The results of these reviews are presented to the ALCo on a regular basis. The interest rate risk measurement indicators are consistently presented to the ALCo and serve as a basis for operational risk management decisions.

Types of interest rate risk

BNP Paribas Fortis has, in line with the BNPP Group framework, defined the concepts of standard risks, modelled risks and structural risks in relation to the different nature of the transactions or portfolios in the banking book.

Standard risk is generated by balance sheet elements for which the theoretical micro-hedge of such risk is directly derived from the contractual characteristics of the underlying transactions.

Modelled risk corresponds to transactions where the theoretical micro-hedge cannot simply be derived from the contractual characteristics of the underlying transactions and requires modelling. This is for example the case for savings accounts (modelling of a risk-replicating portfolio) and for prepayments of mortgages (modelling of future global prepayment behaviour).

The structural interest rate risk is related to net equity and the structural part of non-interest-bearing current accounts. The reinvestments of those zero-cost balance sheet items generate regular revenues but these are sensitive to interest rate levels. However, it is not possible to define a single hedging strategy to fully neutralise this risk exposure; in this case the bank includes all the possible so-called "neutral" management strategies in terms of interest rate risk.

Indicators

The interest rate risk in the banking book is measured and monitored through the following indicators:

- Interest Rate Gaps:

  Interest rate gaps measure for each future time-bucket the potential interest rate-characteristic mismatches between assets and liabilities (fixed rate and indexation type). The optional effects, in particular linked to behavioural options, are translated into these gaps by their delta equivalent exposures (linear representation);

  The maturity split is determined on the basis of the contractual terms of the transactions and historical observations of customer behaviour (for modelled risks). The maturities of non-interest-bearing current accounts and of net equity are defined according to a conventional approach in order to take into account a Group management benchmark and all the possible strategies defined as "neutral" in terms of interest rate risk;

- Earnings Indicators: Net Interest Income Sensitivity

  Interest rate risk in the banking book is measured on a *going-concern basis*, incorporating dynamic changes in balance sheet items, through an indicator of net interest income sensitivity to interest rate changes;

The existence of partial or zero correlations between customer interest rates and market rates coupled with portfolio volume sensitivity to interest rates generates a risk to future revenues;

The sensitivity of revenues to changes in market rates is one of the key indicators used by the bank in its analysis of interest-rate risk. This revenue sensitivity is calculated across the entire banking book including the customer banking intermediation businesses and equity. It factors in the direct impacts of market rates and business trends over a period of up to three years. In addition, indirect effects on commercial activity linked to changes in customer balances and customer rates, notably the effects of inertia on margins due to changes in interest rates are also taken into account;

The sensitivity of interest revenues over one-, two- and three-year timeframes to a parallel, instantaneous and definitive increase/decrease in market rates of 50bps, based on the exposures on 31 December 2025 and estimated using internal models is summarised in the table hereafter.

In millions of euros	31 December 2025	
	For +50bp shock	For -50bp shock
Year 1	(131)	65
Year 2	(77)	(36)
Year 3	(6)	(64)

- Value Indicators: the Supervisory Outlier Test. As the assets and liabilities of the bank's banking intermediation business are not intended to be sold, they are not recognised or managed on the basis of their theoretical economic value measured by discounting future cash flows. Similarly, the theoretical economic value of the net assets does not impact the bank's capital. However, pursuant to the regulatory requirements and calculation methods laid down by the European Banking Authority (EBA), the ratios of sensitivity to variations for 6 different shocks on interest rates of the theoretical economic value of equity in relation to Tier 1 capital are regularly calculated. These ratios are compared to the 15% threshold used by the supervisor to identify situations where interest rate risk in the banking book may be material. At the end of 2025 the ratio for the six different shocks are shown below and are all well below the 15% threshold.

			31 December 2025
	Interest rates shock		Changes of the economic value of equity
Supervisory shock scenarios	Overnight rate	10-year rate	as % of Tier 1 capital
Parallel Shock Down	-2.00%	-2.00%	2.91%
Parallel Shock Up	2.00%	2.00%	-12.46%
Short Rates Shock Down	-2.50%	-0.20%	-4.61%
Short Rates Shock Up	2.50%	0.20%	0.61%
Steepener	-1.60%	0.70%	-7.25%
Flattener	2.00%	-0.40%	-7.27%

5.c.2.3. Management and Hedging of interest rate risk

The hedging strategies for interest rate risk in the banking book are defined and implemented by currency.

The hedges can comprise swaps and options and are typically accounted for as fair value or cash flow hedges. They may also take the form of High Quality Liquid Assets (HQLA) securities which are accounted for in 'Hold to Collect or Hold to Collect and Sell'.

Accounting treatment of interest rate hedges

Depending on the hedging objective, derivative financial instruments used for hedging purposes are qualified either as fair value hedges or cash flow hedges. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy and the nature of the hedged risk, identifies the hedged item and the hedging instrument and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

Hedging of financial instruments recognised in the balance sheet (fair value hedges)

Fair value hedges of interest rate risks relate either to identified fixed-rate assets or liabilities, or to portfolios of fixed-rate assets or liabilities. Derivatives are contracted to reduce the exposure of the fair value of these instruments to changes in interest rates.

Individual assets hedging consist mainly of Hold to Collect or Hold to Collect and Sell securities; individual liabilities hedging consist mainly of fixed income securities issued by BNP Paribas Fortis.

Hedges of portfolios of financial assets and liabilities, constructed by currency, relate to:

- fixed-rate loans (property loans and equipment loans);
- fixed-rate deposits (mainly demand deposits).

To identify the hedged amount, the residual balance of the hedged item is split into maturity bands, and a separate amount is designated for each band. The maturity split is determined on the basis of the contractual terms of the transactions and historical observations of customer behaviour (early redemption assumptions and estimated default rates).

Demand deposits, which do not bear interest at contractual rates, are qualified as fixed-rate medium-term financial liabilities. Consequently, the value of these liabilities is sensitive to changes in interest rates. Estimates of future cash outflows are based on historical analyses.

For each hedging relationship, prospective outstanding amount of the hedged items are measured and have to be higher than the prospective outstanding amounts of the hedging instruments.

Cash Flow Hedge

In terms of interest rate risk, BNP Paribas Fortis uses derivative instruments to hedge fluctuations in income and expenses arising on floating-rate assets and liabilities. Highly probable forecasted transactions are also hedged. Hedged items are split by currency and benchmark interest rate. The bank uses derivatives to hedge some or all of the risk exposure generated by these floating-rate instruments.

These hedging relationships are documented and assessed on the basis of maturities and benchmark interest rate.

6. SOVEREIGN RISK

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 that 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, supranational 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's interest rate risk hedging strategies.

BNP Paribas Fortis' sovereign portfolio is shown in the table below.

In millions of euros	31 December 2025	31 December 2024
Eurozone		
Belgium	11,075	9,858
Italy	548	605
Austria	708	561
Spain	502	542
Luxembourg	537	526
Finland	87	39
France	25	25
Germany	20	21
Cyprus	2	2
The Netherlands	-	-
Total eurozone	**13,504**	**12,179**
Other countries in European Economic Area (EEA)		
Czech Republic	20	39
Other EEA countries (European Economic Area)	70	25
Total other EEA	**90**	**64**
Other countries		
Turkey	1,737	2,667
Others	-	16
Total other countries	**1,737**	**2,683**
TOTAL	**15,331**	**14,926**

The table above shows central government bonds only, exposure to other sovereign risks, such as Belgian regions and communities, are excluded.

7. OPERATIONAL RISK

Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural. Management of operational risk is based on an analysis of the "cause - event - consequences" chain.

RISK MANAGEMENT FRAMEWORK

Regulatory framework

BNP Paribas Fortis has implemented an all-embracing, single, operational risk management framework for the entire bank, which complies with the Banking Regulation. This approach supports the organisation by offering better management of risk through heightened operational risk awareness. It ensures the effective measurement and monitoring of the operational risk profile.

Key players and governance

An appropriate risk management structure has been created around a model with three levels of defence, which places the primary responsibility for operational risk management and mitigation with the businesses. Within BNP Paribas Fortis, the main control functions providing the second line of defence are Compliance, Legal and RISK. Their role is to ensure that the operational risk management framework is properly embedded, that the operational risks that are identified, assessed, measured and managed reflect the true risk profile. The third line of defence is provided by the General Inspection (internal audit) department, which provides assurance that risk structures and policies are being properly implemented.

The main governance bodies for the areas of Operational Risk & Internal Control are the Internal Control Committees (ICCs) which bring together the key stakeholders from the three lines of defence to discuss and agree on the main topics pertaining to operational risks, including operational and organisational aspects.

Objectives and principles

To meet its requirement of the management and control of operational risk, BNP Paribas Fortis has developed (in line with the BNP Paribas Group requirements) a permanent risk management process based on the following elements:

- identifying and assessing operational risks;
- formalisation, implementing and monitoring of the risk mitigation system (procedures, checks and all organisational elements designed to help control risk, such as segregation of tasks, management of access rights, etc.);
- producing measurements of known and potential risks;
- reporting and analysing oversight information relating to operational risk and the permanent control system;
- managing the system through a governance framework that involves members of management, preparing and monitoring action plans.

This system encompasses two major pillars:

- the identification and assessment of risk and of the control system based on the libraries of risks and controls defined by the Group's business lines and functions. Each entity must take into consideration those risks and, if necessary, enhance them when assessing the intrinsic and residual risks in accordance with the standard Group scoring grid;
- the risk management system is underpinned by procedures, standards and generic control plans consistent with the above-mentioned risk libraries, and which each entity must apply, unless an exception is authorised, and enhance according to its own characteristics.

Operational Control and Mitigation

The building blocks of the Operational Risk Management framework (ORMF) are: (1) referential (organisation, process and risk), (2) Risk and Control self-Assessment, (3) incidents (historical and external), (4) Controls, (5) Policies & procedures, and (6) remediation actions (action plans, permanent control actions, recommendations). These building blocks are integrated into an ORMF platform ("360RiskOp platform").

The ORMF is articulated around a risk-based approach: this is a process of selection, which must be documented, based on a professional judgement supported by a set of information relating to the materiality of the risks. This approach enables priorities to be set up to avoid or reduce exposure to the BNP Paribas Fortis's main operational risks.

The ORMF also includes some specific mechanisms, which are transversal by nature: Outsourcing risk management, Fraud risk management, ICT risks, Operational resilience, Protection of personal data.

The bank also has in place a governance dealing with the validation of exceptional transactions, new products and new activities. These processes essentially rely on Transactions Acceptance Committees and New Activity Committees (TAC/NAC).

8. COMPLIANCE RISK

Compliance mission

The overall mission of the Compliance department is to provide reasonable assurance that compliance, regulatory and contingent reputational risks are monitored, controlled and mitigated as relevant.

The Compliance department's role, as a second line of defence, is to supervise the effective management of compliance risk. This involves policy-setting, providing binding advices, performing controls, providing assurance that the bank is complying with rules and regulations and raising the awareness of colleagues of the need to follow key compliance principles:

- financial security: customer due diligence, anti-money laundering, combating the financing of terrorism, financial sanctions/embargoes and disclosure to financial intelligence units, fiscal deontology, prevention of corruption and bribery;
- customer protection: compliance of the bank's organisation and processes with the customer protection regulatory obligations regarding investment, lending, insurance and daily banking services;
- employee integrity: covers the codes of conduct, gifts & invitations policy, conflicts of interest, whistleblowing policy and personal transactions policy;
- market integrity: market abuse, banking laws, conflicts of interest.

The Compliance department sets policies and gives binding advice in these areas. The advice from Compliance may be escalated to a higher level until consensus is found, so as to ensure appropriate issue resolution.

Compliance organisational setup

The Compliance function is organised as an independent, integrated and decentralised function.

Compliance has direct, independent access to the Board's Risk Committee and Audit Committee. Compliance also has a direct and independent access to the Board of Directors.

The Chief Compliance Officer is a member of the bank's Executive Committee.

Basic principles

The management of compliance risks is based on the following fundamental principles:

- individual responsibility: compliance is everyone's responsibility, not solely the responsibility of the Compliance department;
- comprehensive approach: the scope of compliance extends to all the bank's activities. In this respect, the Compliance department has unrestricted access to all required information;
- independence: Compliance staff exercise their mission in a context which guarantees their independence of thought and action. Group policies prevail over local policies as far as these Group policies are consistent with national law.

9. LIQUIDITY RISK

Liquidity risk is the risk of the bank being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.

This risk may stem from the reduction in funding sources, drawdown of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputational risk) or to external factors (risks in some markets).

The bank's liquidity risk is managed under a global liquidity policy approved by the Board of Directors. This policy is based on management principles designed to apply both in normal conditions and in a liquidity crisis. The bank's liquidity position is assessed on the basis of internal standards and regulatory ratios.

More details on the liquidity risk figures and ratios are provided in the Additional Pillar 3 disclosures.

9.a. Liquidity risk management policy

Objectives

The objectives of the bank's liquidity management policy are to secure a balanced financing structure for the development of the BNP Paribas Fortis business activities, and to ensure it is sufficiently robust to cope with crisis situations.

The liquidity risk management framework relies on:

- management indicators:
  - by volume, to ensure that businesses or activities comply with their liquidity targets set in line with the bank's financing capacity;
  - by price, based on internal liquidity pricing;
- the definition of monitoring indicators which enable assessment of the bank's liquidity position under normal conditions and in crisis situations, the efficiency of actions undertaken and compliance with regulatory ratios;
- the implementation of liquidity risk management strategies based on diversification of funding sources with maturities in line with needs, and the constitution of liquidity reserves.

The bank's liquidity policy defines the management principles that apply across all BNP Paribas Fortis entities and business lines and across all time horizons.

Governance

As for all risks, the Chief Executive Officer is granted authority by the Board of directors to manage the bank's liquidity risk. The Chief Executive Officer delegates this responsibility to the Asset & Liability Committee (ALCo).

The Asset & Liability Committee is responsible for:

- defining the bank's liquidity risk profile;
- monitoring compliance with regulatory liquidity ratios;
- deciding and monitoring management indicators and calibrating the quantitative thresholds set for the bank's businesses;
- deciding and monitoring the liquidity risk indicators and associating quantitative thresholds to them where necessary;
- deciding and overseeing implementation of liquidity risk management strategies, including monitoring of business lines, in normal and stressed conditions.

In particular, the Asset & Liability Committee is informed about funding programmes and programmes to build up liquidity reserves, simulations in crisis conditions (stress test), and about all events that may arise in crisis situations. The Liquidity Crisis Committee, a subset of the Asset & liability Committee, is tasked with defining the management approach in periods of crisis (emergency plan).

The Asset & Liability Committee meets every month.

The composition of the BNP Paribas Fortis Asset & Liability Committee is as follows:

- The Chief Executive Officer of BNP Paribas Fortis (Chairperson)
- Member of the Executive Board in charge of Corporate Banking & CIB (CB & CIB)
- Member of the Executive Committee in charge of Retail Banking Belgium
- Member of the Executive Board in charge of Affluent & Private Banking Belgium
- Member of the Executive Board in charge of Risk (Chief Risk Officer)
- Member of the Executive Committee in charge of Finance (Chief Financial Officer; Vice-Chair)
- Head of ALM Treasury BNP Paribas Fortis
- Head of CPB ALM Treasury & CPBS ALM Treasury coordination
- Head of ALM BNP Paribas Fortis
- Head of Global Markets
- Head of RISK Enterprise Risk Architecture BNP Paribas Fortis
- Head of CPBS Finance BNP Paribas
- Head of RISK ALMT&L BNP Paribas Fortis
- Head of Management Control BNPPF

The ALCo is chaired by the BNP Paribas Fortis Chief Executive Officer with the BNP Paribas Fortis Chief Financial Officer being his/her alternate.

Across the bank, ALM Treasury is responsible for the operational implementation of the Asset & Liability Committee liquidity management decisions. The Asset & Liability Committees in entities or groups of entities are responsible for local implementation of the strategy decided by the BNP Paribas Fortis bank's Asset & Liability Committee to manage the bank's liquidity risk.

ALM Treasury is responsible for managing liquidity for the entire bank across all maturities. In particular, it is responsible for funding and short-term issuance (certificates of deposit, commercial paper, etc.), for senior and subordinated debt issuance (MTNs, bonds, medium/long-term deposits, covered bonds, etc.), (retained) loan securitisation and (retained) covered bond programmes for the bank. ALM Treasury is tasked with providing internal financing to the bank's core businesses, operational entities and business lines, and investing their surplus cash. It is also responsible for building up and managing liquidity reserves, which comprise assets that can be easily sold in the event of a liquidity squeeze.

The RISK function participates in the Asset & Liability Committee and the local ALCo's and oversees implementation by ALM Treasury of the relevant decisions made by these committees. It provides second-line control by reviewing models and risk indicators (including liquidity stress tests), monitoring risk indicators and ensuring compliance with the limits assigned.

The Risk Committee reports quarterly to the Board of Directors on liquidity policy principles and the bank's liquidity position.

The Finance Function is responsible for producing the standardised regulatory liquidity indicators, as well as the internal monitoring indicators. Finance oversees the consistency of the internal monitoring indicators defined by the bank's ALM Committee. The Finance Function takes part in the Asset & Liability Committee and the local ALCo's.

9.b. Liquidity risk management and supervision

Business lines' internal monitoring indicators

The monitoring indicators relate to the funding needs of the bank's business lines under both normal and stressed conditions. These monitoring indicators are part of the bank's budget planning exercise with set objectives that are routinely monitored (monthly).

Funding requirements of the bank's businesses

The funding requirements associated with the activity of the bank's businesses are managed in particular by measuring the difference between commercial funding requirements (customer loans and overdrafts) and commercial funding resources (customer deposits, sale of the bank's debt securities to customers, etc.). This indicator makes it possible to measure the business lines' liquidity consumption under a normal business scenario. It is supplemented with an indicator that makes it possible to measure the business lines' funding requirements over a one-month period under a stress test using assumptions defined by the European regulation (Liquidity Coverage Ratio). In addition to this commercial funding requirement indicator, the bank closely monitors the liquidity reserves and the refinancing provided by ALM Treasury, as well as the bank's structural resources, under normal conditions and regulatory stress tests. The business lines' total funding requirements, along with the net resources provided by ALM Treasury, and the bank's structural resources under regulatory stress tests, make up the Liquidity Coverage Ratio (LCR). The management of each of these components enables the bank to achieve the targeted LCR. The business lines' liquidity consumption is thus integrated in the bank's budget process, wherein each business line estimates its future liquidity needs, in keeping with its profitability targets and capital consumption objectives. During the iterative budget process, liquidity consumption objectives are allotted to the business lines, taking into account the funding provided by ALM Treasury and structural resources, in line with the bank's overall target. The effective liquidity consumption and funding are then monitored and adjusted, if required, throughout the year in order to meet the bank's target.

The 30-day Liquidity Coverage Ratio (LCR) entered into force on 1 October 2015 setting the minimum coverage ratio for net cash outflows over a one-month period time horizon, in a crisis situation, at 100% from 1 January 2018. The bank measures its liquidity requirements in accordance with the requirements of the Delegated Act adopted by the European Commission in January 2015. The bank complies with the minimum LCR requirement (see template EU-LIQ1 in the additional Pillar 3).

Regulation (EU) No. 2019/876 introduces a one-year structural liquidity ratio (Net Stable Funding Ratio – NSFR), subject to a minimum requirement of 100% as from 28 June 2021. This standardised ratio aims to ensure that assets and financing commitments considered over a one-year horizon are financed by resources over the same horizon. The bank complies with the minimum NSFR requirement. (see template EU-LIQ2 in the additional Pillar 3).

Internal liquidity pricing

All of the bank's assets and liabilities are subject to internal liquidity pricing, the principles of which are decided by the bank's Asset & Liability Committee and aim to take account of trends in the cost of market liquidity and the balance between assets and liabilities.

Monitoring indicators

Wholesale funding indicators

Funding sources depend on conditions in the debt markets and are raised from various types of debt investors.

Funding sources are diversified through the use of various distribution networks, entities and collateralised or non-collateralised financing programmes.

The financing structure can also be strengthened by extending maturities, and targeting more stable funding sources.

Encumbrance of the bank's assets and assets received by the bank

Assets on the balance sheet and assets received in guarantee used as pledges, guarantees or enhancement of a bank's transaction and which cannot be freely withdrawn are considered to be encumbered. The following are the main transactions with asset encumbrance:

- Repos and securities lending operations;
- Guarantees given to CCPs;
- Collateralised deposits;
- Guarantees given to central banks as part of monetary policy;
- Assets in portfolios hedging the issue of guaranteed bonds.

Encumbered securities are given as collateral in repurchase agreements, derivatives transactions or securities exchanges. Other encumbered assets correspond to the following: firstly, loans under monetary policy constraints or provided as collateral for structured debt; secondly, cash given as collateral against derivatives.

Medium- to long-term position

The medium- and long-term liquidity positions are measured regularly at the bank's level to evaluate the medium- and long-term resources and uses. In order to do this, each balance sheet item is reviewed by financial maturity using the models and agreements proposed by ALM Treasury and reviewed by the RISK function.

Stress tests and liquidity reserve

Liquidity stress tests are performed regularly on various maturities (up to 12 months) and are based on market factors and/or factors specific to the bank. The availability of sufficient reserves in the liquidity buffer to cope with a liquidity crisis is regularly measured at bank level.

The liquidity reserve comprises deposits with central banks, available securities that can be immediately sold on the market or through a repurchase agreement and available securities that can be refinanced with central banks.

One of the ways to strengthen the bank's liquidity position is to transform less liquid assets into liquid assets by securitising loans (see section 4.c 'Securitisation') or issuing covered bonds.

10. REMUNERATION OF MATERIAL RISK TAKERS (MRTs)

BNP Paribas Fortis SA/NV applies all regulatory requirements on remuneration such as specified in:

- The Belgian law (the Belgian Banking law of 25 April 2014) revised by the law of 11 July 2021 and further clarified in the explanatory memorandum (DOC55 1999/01);
- "CRD 5": DIRECTIVE 2019/878/EU OF THE EUROPEAN PARLIAMENT AND THE COUNCIL of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;
- CDR (EU) n°2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile;
- The EBA guidelines on sound remuneration policies of 2 July 2021 as set out in the NBB position;
- The EBA Guidelines of 30 June 2022 on the benchmarking exercises on remuneration practices and the gender pay gap under CRD (EBA/GL/2022/06).

Thus the bank's remuneration policy is compliant with all of these principles and aims not to encourage excessive risk-taking, to avoid incentives that may lead to conflicts of interest, and not to encourage or reward prohibited management activities.

These regulatory prudential provisions apply to BNP Paribas Fortis SA/NV on a consolidated basis (including subsidiaries and branches). In case of discrepancies between the regulation applied at BNP Paribas Fortis SA/NV and the one which applies at local level, the most stringent rules are applied.

This report is produced in order to comply with the regulatory provisions of article 450 of the Delegated Regulation (EU) 575/2013 of 26 June 2016 on the prudential requirements for credit institutions and investment firms (CRR).

Employees included in the bank's MRT category in 2025 have been identified in accordance with the regulation in force. These employees are subject to all the principles set out in the Group's compensation policy as detailed below.

The number of employees identified as MRTs at bank level is detailed under 10.b.3.

10.a. Governance

The bank's remuneration principles and remuneration policy are designed and proposed by Human Resources in cooperation with the relevant businesses. They are presented to the Compliance, Risk and Finance Committee (CRIF), the Risk Committee and the Remuneration Committee for advice, before approval by the Board of directors.

10.a.1. Compliance, Risk and Finance Committee (CRIF)

The CRIF Committee is chaired by Mr. Daniel De Clerck, Chief Operating Officer.

The CRIF Committee includes the heads of Compliance, Risk and Finance (or representatives appointed by them, as well as the Head of HR).

The remuneration policy for MRTs is presented to and discussed by the CRIF Committee, which then issues an opinion on:

- the policy's compliance with current regulations and professional standards;
- its adequacy and consistency with the institution's risk management policy;
- consistency between variable remuneration practices and the need to ensure a sufficient level of the bank's capital base.

This Committee met three times with respect to the remuneration process for the year 2025.

10.a.2. Risk Committee

The Risk Committee is a committee of the Board of directors chaired by Mrs Anne Leclerq.

In Order to promote sound remuneration practices and policies, the Risk Committee, without prejudice to the tasks of the Remuneration Committee examine whether the incentives provided by the remuneration system appropriately consider risk management, capital requirements and the liquidity position of BNP Paribas Fortis as well as the probability and the distribution over time of the profits.

The Risk Committee met one time to deliberate on the remuneration process for the year 2025.

10.a.3. Remuneration Committee

The Remuneration Committee is a committee of the Board of directors chaired by Mrs Titia Van Waeyenberge.

The committee provides a sound and independent judgement on the remuneration policies and reward practices and related incentives taking into account risk control, net equity needs and liquidity position and, more specifically,

- advises the Board on the remuneration policy, particularly for employees whose activities have a material impact on the institution's risk profile;
- prepares decisions of the Board of directors on remuneration, taking into account the long term interest of shareholders, investors and other parties having an interest, as well as to the general interest.

Thus, the Remuneration Committee analyses compensation guidelines and compensation policy for regulated employees, as well as the annual review process guidelines presented by the Executive Management, including:

- parameters for the determination of variable compensation envelopes (i.e. “bonus pools”) for business lines and their projected levels;
- terms and conditions of allocations, individual awards and payments;
- audits the remuneration of the persons responsible for the independent control functions (Risk & Compliance).

In addition, BNP Paribas SA, the direct shareholder of BNP Paribas Fortis, is subject to numerous regulatory requirements and controls which govern its Group compensation policy, arrangements and its annual compensation review process. BNP Paribas Fortis implements the Group compensation policy in the framework of delegation rules defined by the Group. Consequently, the Remuneration Committee will duly consider the recommendations of BNP Paribas SA with regard to certain duties set forth in this Charter.

The subjects discussed during the Remuneration Committee meetings are then presented to the Board of directors for approval of the principles.

The Remuneration Committee met four times to deliberate on the remuneration process for the year 2025. More detailed information can be found in the Annual Report under “Corporate Governance Statement”, “Governing bodies”.

10.a.4. Permanent Control Committee (PCC)

A dedicated Permanent Control Committee (PCC) is organised. The PCC is organised at the different levels within the bank: at the level of the Executive Committee, at the level of each business, depending on the employees reviewed.

The PCC is mandated to undertake an assessment of all MRTs, based on their contribution to the bank’s permanent control framework, their involvement with material risk and subsequent decisions, incidents that have occurred during the year and the corrective actions taken by the individual or as managers. The assessment can lead to an impact on variable remuneration.

The members of the PCC are the Head of RISK, Head of Compliance, Head of Legal and Head of HR (or their representatives).

The following employees are brought automatically at the PCC:

- employees who have registered breaches (compliance and/or other) in our administrative system;
- employees who didn’t follow mandatory compliance and/or risk trainings;
- MRTs for whom the supervisor indicates minor/moderate or significant findings with regard to compliance with policies & procedures, and with sound risk management.

Further, the control functions, can add employees if deemed necessary. The PCC will discuss all files on an individual basis and take a decision on the score of the “Compliance & Risk” value.

10.a.5. Audit and controls

The operating procedures implementing the bank's remuneration policy are documented to provide an effective audit trail of any decisions.

In addition, controls have been defined by Group Human Resources and implemented by the bank's Human Resources department in order to ensure the correct identification of the MRT employees and the correct application of all regulatory requirements applicable to this population (deferral rules, indexation, variable to fixed ratio).

Moreover, Inspection Générale Hub Central performs an annual, independent ex post review of the remuneration process to ensure that it complies with the principles and procedures stipulated in the bank's remuneration policy.

The review performed in 2025 by the Inspection Générale Hub Central team concerning the 2024 process, concluded, that the guidelines and regulations had been correctly applied. A summary of this review was brought to the attention of the Remuneration Committee.

10.b. BNP Paribas Fortis remuneration guidelines and policy for MRTs

10.b.1. Remuneration guidelines applicable to all employees of the bank

Remuneration for the bank's employees comprises a fixed component, a collective system and a variable component.

Fixed remuneration

Fixed salary rewards competence, experience, qualification level, as well as the level of involvement in assigned tasks. It is set on the basis of local and professional market conditions and the principle of internal consistency within the BNP Paribas Group. It is composed of a fixed base salary, which compensates the skills and responsibilities corresponding to the position held, and where appropriate, fixed pay supplements linked, in particular, to the specific characteristics of the position held, in accordance with applicable regulation.

Collective system

Profit-sharing schemes can exist depending on local legislations, associating employees to the results of the Group and/or of their entity. Their calculation methodologies are usually defined by company agreements.

Belgian legislation allowed Belgian companies to ensure that employees can share in the profit of their group or company. The profit-sharing system was adopted by BNP Paribas Fortis in 2008. As of 1 January 2018, this system was replaced by the system of profit premiums. It enables employers to have their employees participate in the company's profit, in a tax and social security friendly way, without them participating in the capital of the company. BNP Paribas Fortis adapted its policy to the new legislation.

Alongside the system of profit premiums, BNP Paribas Fortis has introduced the provisions of the Collective Labour Agreement 90[6], as from performance year 2012.

Variable remuneration

Variable remuneration rewards employees for their performance during the year based on the achievement of quantitative and qualitative targets and individual assessments according to the fixed objectives. It takes into account the business line's results and the achievement of quantitative and qualitative targets, as well as contribution to risk management and respect of compliance rules and the local and/or professional market practices. It does not constitute a right and is set in accordance with the remuneration policy for the year in question and current governance principles.

In addition, variable remuneration may also consist of a medium- or long-term retention plan, or any other suitable instrument aimed at motivating and building the loyalty of the Group's key executives and high potential employees, by giving them an interest in the growth of the value created.

[6] *This CLA treats the 'non-recurring result-related benefits'*

Variable remuneration is determined in order to avoid the introduction of incentives that could lead to conflicts of interest between employees and customers, or non-compliance with the Code of Conduct, Rules and Regulations and Risk Management.

The fixed salary must represent a sufficiently high proportion of the total remuneration to reward employees for their work, seniority level, expertise and professional experience without necessarily having to pay a variable remuneration component.

Commercial incentives

For employees holding commercial functions, individual variable remuneration can be awarded under commercial incentives schemes. These schemes must not be designed in a manner that would promote selling a product or a service which is not well adapted to the clients' needs, or favour employees' interest and/or the Group's interest over clients' interest.

Employee Benefits

Employee benefits depend on each country's legislation and come in addition to any other remuneration components.

Employee benefits are intended to protect employees against the uncertainties of life (via health, disability and life insurances, etc.), encourage their savings efforts and promote preparation for retirement, via collective pension schemes.

Other remuneration elements

An advance guarantee of payment of variable remuneration is prohibited. However, in the context of hiring, especially to attract a candidate with a key skill, the allocation of variable remuneration may be guaranteed on an exceptional basis the first year; this award shall in any event be subject to the same conditions as variable remuneration (i.e. with a deferred portion, indexing, and performance conditions where appropriate).

Buyout awards to newly hired experienced executives will be paid according to a schedule and under conditions as equivalent as possible to the initial vesting dates and conditions of the repurchased instruments and in accordance with the payment and behavioural conditions stipulated in the framework of the BNP Paribas Fortis' deferred compensation plan in effect at the time of the buyout awards to these employees.

Hedging or insurance coverage by beneficiaries of risk related to share price fluctuation or the profitability of business lines, aimed at eliminating the uncertainties related to their deferred remuneration or during the vesting period, is prohibited.

Any severance payment served to members of the Management Body and the regulated staff is in line with the provision of the Belgian Banking law of 25 April 2014 revised by the law of 11 July 2021 and further clarified in the explanatory memorandum (DOC55 1999/01).

The annual remuneration review process

Remuneration reviews are managed through an annual process across the bank and via a centralized system that enables Management to obtain at any time updated proposals within the bank, particularly for all MRTs, and to oversee the process until individual decisions are taken and announced, based on the economic climate, the institution's results and market conditions.

The decisions are made within the framework of the BNP Paribas Group delegations.

10.b.2. Remuneration policy for MRTs

Perimeter

MRTs are identified according to criteria defined by the European Commission Delegated Regulation of 25 March 2021, the Belgian Banking law of 25 April 2014 (art. 67§2), and through additional criteria stipulated by the BNP Paribas Group, according to the following methodology:

1. *At bank level*

- the bank's governing body: executive and non-executive managers;

- the other members of the bank's Executive Committee;
- the heads at bank level of Finance, Human Resources, Remuneration Policy, Legal Affairs, Fiscal Affairs, IT, and Economic Analysis;
- the managers of control functions (Risk, Compliance, Audit and Legal) and the managers directly under this person;
- the senior managers in charge of activities, retail banking operational entities and businesses whose activities have a material impact on the bank's risk profile;
- the managing heads of activities, retail banking operational entities and businesses whose activities have a material impact on the bank's risk profile.

2. *At the level of the bank's main business lines (key entities for which the bank allocates more than 2% of its internal capital):*

- the head and the managers directly under this person responsible for sub activities or control functions.

3. *By virtue of risk criteria*

- employees with delegations on credit that exceed certain thresholds (0.5% of CET 1 (Common Equity Tier 1) of the bank) and those with authority to approve or veto credit decisions;
- employees with the authority to initiate transactions of which the Value at Risk (VaR) exceeds certain thresholds (5% of VaR limit at bank level) and those who have authority to approve or veto this type of transaction);
- members of committees with authority to accept or veto transactions, operations or new products;
- managers whose cumulated delegations for their direct employees exceed the threshold for credit risk.

4. *By virtue of the remuneration level*

In terms of remuneration levels, the list also includes employees whose annual compensation for the preceding year exceeds some absolute or relative thresholds of total remuneration (in particular the average of the total remuneration of the Management Body and the General Management), and whose professional activities have a material impact on the risk profile of the bank.

Determination of bonus pools and breakdown by business line

1. *The Individual Performance Plan (IPP)*

The IPP is applicable to managers in all business areas and contains one individual part tied to performance results and risk/risk management objectives. The bonus pool is a decision process based on the bank's Net Promotor Score, business performance as well as risk performance.

2. *Corporate & Institutional Banking Activities*

In the context of strict oversight of remuneration for all Corporate & Institutional Banking staff (in particular Global Markets staff), the variable remuneration pool for these business lines is determined on BNP Paribas Group level based on the financial value generated by the activity. This value, directly correlated to financial results, includes both the cost of risk and the cost of capital, and notably integrates the following parameters:

- direct revenues;
- direct and indirect costs allocated to the business line;
- refinancing cost billed internally (including actual cost of liquidity);
- the cost of risk generated by the business line;
- the cost of capital allocated to the activity during the year.

However, some elements of revenues or costs are not allocated to the business line when they do not reflect its performance for the year.

The bonus pools thus calculated are distributed among the Corporate & Institutional Banking between the different business lines on the basis of clearly defined and documented criteria specific to each business line or team, which reflect:

- quantitative performance measurement (including the creation and development of long-term competitive advantages for the Group);
- the measurement of underlying risk;
- market value of the teams and the competitive situation.

These criteria are supplemented by factual elements designated to measure a team's collective behaviour in terms of:

- ongoing control, compliance and respect for procedures;
- team spirit within the business line and cross-selling within the Group.

The criteria selected are based on quantitative indicators and factual elements, which are defined each year at the beginning of the remuneration review process.

3. The bank's other business lines

The variable remuneration envelopes for the bank's other business lines are set on the basis of the results generated by the activity (annual bonus pool), the market (local and/or business) and achievements. Each year, the bonus pools are decided in the course of the budget process with the Finance Department and General Management and take into account direct input from Risk Management on the "cost of risk" (Risk-adjusted performance) or equivalent risk measures for the "pole" or "business", depending on the scope of the budget. Bonus pools also take into account own funds requirements, the liquidity requirements or the probability and recurrence of the profits of the bank.

4. Pools for support and control functions

Variable compensation pools for support functions and integrated control functions are determined independently of the performance of the business lines whose operations they validate or verify.

The evolution of bonus pool is based on the needs of the function linked to the evolution of its population on the one hand and on the other hand, any other specific needs, in particular related to market positioning.

Individual awards

Individual allocations are made upon management decision based on:

- the performance of the team to which the employee belongs and his or her individual performance (performance is measured on the basis of results achieved and the risk level associated with these results);
- appraisals (mandatory annual individual assessment performed by the line manager), which simultaneously evaluates:
    - qualitative achievements in relation to fixed objectives;
    - professional behaviour with respect to the Group's values, compliance rules, Code of Conduct and procedures of the Group;
    - contribution to risk management, including operational risk;
    - the managerial behaviour of the concerned employee where applicable.

Failure to comply with applicable rules and procedures or blatant breaches of compliance rules or Group's Code of Conduct will lead to a reduction or cancellation of the variable remuneration, independently of any disciplinary proceedings.

The employees identified as MRTs are formally and independently assessed on an annual basis by control functions (Compliance and Risk) against the Respect of Code of Conduct, Rules & Regulations and against the Risk Assessment & Management, as defined by the Group. The result of these reviews is then taken into account by the managers of the concerned employees in the annual assessment and for the determination of the variable remuneration. Failure to comply with at least one of these rules leads to a systematic reduction or cancellation of the variable remuneration of the year for the relevant employees.

Individual awards for employees of support functions and control functions are made in accordance with these principles and independently of the performance of the business lines controlled by the employees. Furthermore, particular emphasis is given to the employee's contribution to risk management during the annual assessment process.

Risk, conduct and compliance criteria are thus taken into account ex-ante in the process of determining pools (collective) and during the annual appraisal process (individual). Moreover, conduct and compliance are also taken into account ex-post for employees who benefit from variable compensation subject to deferral (malus and claw-back in case of misconduct).

All of these elements contribute to strengthen conduct, compliance and risk culture of all bank staff members.

Payment of variable remuneration

For MRTs, variable remuneration includes a non-deferred portion and a deferred portion. The deferred portion increases depending on the level of the amount of variable remuneration, ranging from at least 40% to 60% for variable remuneration amounts of which the value exceeds 200,000 euros.

In accordance with regulatory requirements, variable remuneration (including both the deferred and non-deferred portions) is paid as follows:

- half in cash;
- half in cash indexed on the BNP Paribas share price, at the end of a twelve-month retention period.

Indexing on the share price has a double purpose: to align the beneficiaries' interests with those of shareholders, and to ensure solidarity with the institution's overall performance results.

For the members of the Executive Board, the Executive Committee and the Executive Leaders, the payment of bonuses is subject to a five-year deferral period with the last payment in March 2032, i.e. six years and three months after the reference year for determining the variable remuneration awards.

For all other MRTs, the payment of bonuses subject to deferral is spread over eight payment dates, with the last payment in March 2031, i.e. five years and three months after the reference year for determining the variable remuneration awards.

The deferred portion vests progressively over the four/five years following the year of award, subject to achieving the business line, activity and Group financial performance targets and meeting the behavioural criteria set at the time of award.

The proportionality principle is defined by the directive, and the applicable threshold is defined in the regulation. Total variable remuneration exceeding 50,000 euros or one third of total remuneration[7] is subject to the provisions.

Vesting of each annual portion is thus conditional upon the fulfilment of the conditions defined initially at the award date on each annual vesting date, based on the profitability level of the business line and/or activity, and/or the Group as a whole. These conditions are designed to promote an awareness of the impact that activities in a given year could have on results in subsequent years and to align individual conduct with the institution's strategy and interests. If these conditions are not met during the financial year, the annual portion of deferred remuneration is lost (Malus).

Serious weaknesses in risk monitoring, management and management of compliance issues will be assessed by a dedicated committee, on the basis of:

- awareness of and respect of Risk procedures and policies (including but not limited to risk limits, monitoring/updating of such limits, …);
- reporting and management of risk related incidents;
- risk-taking assessment incorporating stress-test parameters;
- behaviour that has caused or contributed to the need for a material restatement of the business unit's financial result;
- behaviour that causes or is reasonably expected to cause a substantial financial loss or any injury to the interest or business reputation of a business area, the bank or BNP Paribas;
- awareness and respect of Compliance and Operational Risk policies (including Financial Security, Protection of the Client Interests, Professional Ethics, Market Abuse, Outsourcing, Data Protection, Fraud prevention and Permanent Control, procedures governing the Exceptional Transaction Committee, New Activities Committee, Customer Acceptance Committee);
- reporting of compliance, regulatory, operational risk and other incidents that would harm the reputation of the bank or the BNP Paribas Group; and/or;

[7] The total remuneration corresponds to the sum between the fixed remuneration and all the variable remuneration elements that serve as a basis for calculating the deferred share of the year's performance (variable, CSIS, top-up, etc.).

- follow up on detected weaknesses in the internal control environment (including but not limited to recommendations from internal audit, permanent control, Compliance).

Some MRTs are also beneficiaries of a fully deferred four or five-year loyalty scheme in the form of a contingent capital instrument whose payment is subject to the absence of regulatory resolution measures and keeping the BNP Paribas Group's CET1 ratio above 7%. This scheme also includes conditions relative to the financial performance of BNP Paribas Group as well as Corporate Social Responsibility (CSR) criteria, defined at the time of award.

In case of dismissal for misconduct, (or for employees who left the Group, the misconduct that would have led to its dismissal, if it had been revealed while she/he was an employee) particularly when the employee's action involves the breach of risk control rules or of the compliance rules or in respect with the code of conduct, or also a dissimulation or an action that resulted in a distortion of the conditions under which variable remuneration previously allocated was set, all or part of the rights to the deferred parts of the previously allocated variable remuneration, including the allocations in a retention scheme, shall be lost and potentially any elements of variable remuneration already paid shall be recovered (subject to respect for local labour law).

The variable remuneration of employees working in capital market activities, not included in the category of MRTs, continues to be strictly controlled and subject to payment rules including deferral, indexation and payment conditions arrangements.

Risk, conduct and compliance criteria and their measurement are thus taken into account ex-ante in the annual remuneration review process for the calculation of variable remuneration pools (collective) and during the annual appraisal process (individual). Moreover, conduct and compliance are also taken into account ex-post for employees who benefit from variable remuneration subject to deferral (malus and claw-back in case of misconduct).

All of these elements contribute to strengthen conduct, compliance and risk culture of all Group staff members.

Moreover, in case of the implementation of a resolution plan as defined by Directive 2014/59/EU of 15 May 2014 ("BRRD") the deferred compensation plan rules shall provide the conditions upon which the elements of variable compensation may be reduced or cancelled.

Fixed remuneration

Fixed remuneration for MRTs, as for other employees, is defined in relation to the employee's skills and experience and the local job market, among other criteria.

Ratio between variable and fixed remuneration

According to Belgian Banking law, the total allocated variable remuneration, at its notional value at award date, paid to an employee including in the MRTs category is limited to the highest of 50% of his or her total fixed remuneration or 50,000 euros gross.

For the purpose of calculating the ratio, a discount rate may be applied to the portion of variable compensation deferred for 5 years and paid in the form of instruments, up to a limit of 25% of total variable compensation. For performance year 2025, the discount rate wasn't applied.

Scope of application and local rules

The provisions described above are generally applicable to the bank's MRTs. Special provisions, sometimes more restrictive in particular concerning payment conditions of variable remuneration or the ratio, may apply to MRTs in certain countries, due in part to the local transposition of CRD 5 rules.

Directors and corporate officers

The variable remuneration of the bank's directors and corporate officers is determined in compliance with the principles set out above applicable to all bank's MRTs and in accordance with the terms and conditions proposed by the Remuneration Committee and adopted by BNP Paribas Fortis' Board of directors. Specific remuneration principles and policy applicable to the bank's directors and corporate officers are detailed in the Annual Report 2025.

10.b.3. Quantitative information on remuneration awarded to MRTs for the 2025 financial year

Aggregate overall data

1. *Bank employees whose 2025 remuneration is subject to oversight rules*

A total of 313 employees of the bank within the consolidation scope, have been identified as MRT's.

2. *Remuneration of MRTs employees in 2025*

The quantitative information presented below concerns the gross remuneration (excluding employer contribution) awarded for the year 2025 to employees identified as MRTs within the consolidation scope, but does not reflect remuneration awarded to other employees whose remuneration is also subject to oversight.

Figures reported hereunder are based on BNP Paribas Fortis consolidation scope.

Quantitative information on remuneration awarded to MRTs

Remuneration awarded for the financial year 2025 (EU REM1)

	In thousands of Euros (excluding employer charges)	MB Supervisory function	MB Management function	Other identified staff	Total
Fixed remuneration	Number of identified staff	11	6	296	**313**
	Total fixed remuneration	1,257	3,999	65,744	**71,000**
	of which: cash-based	*1,257*	*3,999*	*65,744*	***71,000***
	of which: shares or equivalent ownership interests	-	-	-	**-**
	of which :share-linked instruments or equivalent non-cash instruments	-	-	-	**-**
	of which: other instruments	-	-	-	**-**
	of which: other forms	-	-	-	**-**
Variable remuneration	*Number of identified staff*	*11*	*6*	*296*	***313***
	Total variable remuneration	-	*1,531*	*23,210*	***24,741***
	of which: cash-based	-	*594*	*10,475*	***11,069***
	of which deferred	-	*268*	*2,453*	***2,721***
	of which: shares or equivalent ownership interests	-	-	-	**-**
	of which deferred	-	-	-	**-**
	of which :share-linked instruments or equivalent non-cash instruments	-	*594*	*8,210*	***8,804***
	of which deferred	-	*268*	*2,453*	***2,721***
	of which: other instruments	-	*343*	*4,525*	***4,868***
	of which deferred	-	*343*	*4,525*	***4,868***
	of which: other forms	-	-	-	**-**
	of which deferred	-	-	-	**-**
	TOTAL	**1,257**	**5,530**	**88,954**	**95,740**

The amount of total variable remuneration paid in cash in March 2026 for the 2025 performance year to the Group MRTs employees 2025 is 8,35 million euros. The variable compensation balance - either a notional amount of 16,39 million euros - is spread between 9 or 11 conditional instalments between March 2027 and March 2032, of which 6,08 million euros for the March 2027 instalment. All in all, the total variable remuneration awarded for 2025 performance year to the Group MRTs is 24,74 million euros.

Other payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) (EU REM2)

There is nothing to disclose for the year 2025.

In thousands of Euros (excluding employer charges)	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Number of identified staff	-	-	-	-
Total amount	-	-	-	-
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year				
Number of identified staff	-	-	-	-
Total amount	-	-	-	-
Severance payments awarded and paid during the financial year				
Number of identified staff	-	-	-	-
Total amount	-	-	-	-
Of which paid during the financial year	-	-	-	-
Of which deferred	-	-	-	-
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Of which highest payment that has been awarded to a single person	-	-	-	-

Deferred remuneration (EU REM3)

Deferred and retained remuneration In thousands of Euros (excluding employer charges)	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year
MB Supervisory function						
Cash-based	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-
Other forms	-	-	-	-	-	-
MB Management function						
Cash-based	891	138	753	-	-	138
Share-linked instruments or equivalent non-cash instruments	1,337	383	954	-	127	510
Other instruments	1,776	301	1,475	2	-	303
Other forms	-	-	-	-	-	-
Other identified staff						
Cash-based	9,861	2,123	7,738	-	268	2,391
Share-linked instruments or equivalent non-cash instruments	15,114	4,760	10,354	-	1,386	6,146
Share-linked instruments or equivalent non-cash instruments	13,151	77	13,074	-	-	77
Other forms	-	-	-	-	-	-
TOTAL	**42,130**	**7,782**	**34,348**	**2**	**1,781**	**9,565**

Number of MRT employees whose total remuneration for 2025 exceeded 1 million euros (EU REM4)

Total compensation	Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	3
1 500 000 to below 2 000 000	1
2 000 000 to below 2 500 000	1
2 500 000 to below 3 000 000	-
3 000 000 to below 3 500 000	-
3 500 000 to below 4 000 000	-
4 000 000 to below 4 500 000	-
4 500 000 to below 5 000 000	-
More than 5 000 000	-
TOTAL	5

Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) (EU REM5)

	Management body remuneration			Business areas					
In thousands of Euros (excluding employer charges)	**MB Supervisory function**	**MB Management function**	**Total MB**	**Investment banking**	**Retail banking**	**Corporate functions**	**Independent control functions**	**All other**	**Total**
Total number of identified staff	11	6	17	33	190	0	68	5	313
Of which: members of the MB	*11*	*6*	*17*	*0*	*0*	*0*	*0*	*0*	*17*
Of which: other senior management	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Of which: other identified staff	*0*	*0*	*0*	*33*	*190*	*0*	*68*	*5*	*296*
Total remuneration of identified staff	1,257	5,529	6,786	11,254	60,856	-	14,715	2,129	95,740
Of which: variable remuneration	-	*1,530*	*1,530*	*3,278*	*16,017*	-	*3,259*	*656*	*24,740*
Of which: fixed remuneration	*1,257*	*3,999*	*5,256*	*7,976*	*44,839*	-	*11,456*	*1,473*	*71,000*

ABBREVIATIONS

ABS	Asset Backed Securities	IM	Internal Model approach
AC	Audit Committee	IMM	Internal Model Method
ACPR	Autorité de contrôle prudentiel et de résolution (the French supervisor)	IPP	Individual Performance Plan
ALCo	Asset and Liability Committee	IRB	Internal Ratings-Based
ALMT	Asset & Liability Management Treasury	IRB	International Retail Banking
ARCC	Audit, Risk and Compliance Committee	IRBA	Internal Ratings-Based Approach
AVA	Additional Valuation Adjustments	IRC	Incremental Risk Charge
BIA	Basic Indicator Approach (Operational Risk)	ISDA	International Swaps and Derivatives Association
CBFA	Commission bancaire, financière et des assurances	LBO	Leverage Buy Out
CCF	Credit Conversion Factor	LGD	Loss Given Default
CCP	Central Clearing Counterparty	MBS	Mortgage Backed Securities
CCR	Counterparty Credit Risk	MCLAR	Market, Counterparty and Liquidity Analysis and Reporting
CDS	Credit Default Swaps	MRTs	Material Risk Takers
CEO	Chief Executive Officer	MTNs	Medium Term Notes
CET1	Common Equity Tier 1	NBB	National Bank of Belgium
CIB	Corporate and Investment Banking	ORC	Operational Risk & Control
CLO	Collateralised Loan Obligation	OTC	Over-the-counter
CMRC	Capital Markets Risk Committee (Market Risk)	P&L	Profit & Loss
COO	Chief Operating Officer	PCC	Permanent Control Committee
CPBB	Corporate & Public Banking Belgium	PD	Probability of Default
CRD	Capital Requirements Directive	PFC	Financial Control Committee (Market Risk)
CRIF	Compliance, Risk and Finance Committee	PFE	Potential Future Exposure
CRM	Credit Risk Mitigation	PIs	Potential Incidents (Operational Risk)
CRO	Chief Risk Officer	PVA	Prudent Valuation Adjustments
CRR	Capital Requirements Regulation	QCCP	Qualifying Central Clearing Counterparty
CVA	Credit Value Adjustment	RC	Risk Committee
EAD	Exposure at Default	RMBS	Residential Mortgage Backed Securities
EBA	European Banking Association	RPBB	Retail & Private Banking Belgium
ECB	European Central Bank	RTS	Regulatory Technical Standards
EEPE	Effective Expected Positive Exposure	RWEA	Risk-Weighted Exposure Amount
EPE	Expected Positive Exposure	SFA	Supervisory Formula Approach
ERA	Enterprise Risk Architecture	SFT	Security Finance Transactions
FMRC	Financial Markets Risk Committee	SME	Small and Medium sized Enterprises
F-IRB	Foundation Internal Ratings-Based	SPV	Special Purpose Vehicle
GDP	Gross Domestic Product	SREP	Supervisory Review and Evaluation Process
GM	Global Markets	STSC	Stress Testing Steering Committee (Capital Markets)
GWWR	General Wrong Way Risk	SVaR	Stressed Value at Risk
HQLA	High-Quality Liquid Assets	SWWR	Specific Wrong Way Risk
IAA	Internal Assessment Approach	TEB	Turk Ekonomi Bankasi (BNP Paribas Fortis' Subsidiary in Turkey)
IAS	International Accounting Standards	USTA	Unrated Standardised Approach
ICAAP	Internal Capital Adequacy Assessment Process	V&RC	Valuation & Risk Control (department)
ICC	Internal Control Committees	VaR	Value at Risk
		VMC	Valuation Methodology Committee (Market Risk)
		VRC	Valuation Review Committee (Market Risk)

Appendix: Additional Pillar 3 disclosure

This document, containing additional quantitative Pillar 3 disclosures, completes the information published in the Pillar 3 report of BNP Paribas Fortis for the year 2025.

CONTENTS