

BNP PARIBAS FORTIS 2020 FULL YEAR RESULTS

STRONGLY COMMITTED TO SUPPORTING THE BELGIAN ECONOMY IN THE CURRENT
EXCEPTIONAL CIRCUMSTANCES OF THE HEALTH CRISIS

CUSTOMER LOANS AT EUR 115 BILLION, +3.5% vs. 31.12.2019

MORE THAN 100,000 MORATORIA, OF WHICH SOME 45,500 RESIDENTIAL
MORTGAGE LOANS AND 57,500 PROFESSIONAL LOANS. MORE THAN 12,000
EXTENDED MORATORIA AT THE REQUEST OF CUSTOMERS

CUSTOMER DEPOSITS AT EUR 138 BILLION, +5.3% vs. 31.12.2019

RESILIENT GROSS OPERATING RESULTS AND NET INCOME WITHIN THE CONTEXT OF
THE CURRENT HEALTH CRISIS AND PERSISTENTLY LOW INTEREST RATES

REVENUES: EUR 7,893 MILLION, +1.1%* vs. 2019

LOWER REVENUES IN BELGIUM
GROWING REVENUES IN OTHER BUSINESS LINES

COSTS: EUR 4,542 MILLION, DOWN BY -0.6%* vs. 2019

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

GROSS OPERATING INCOME: EUR 3,351 MILLION, +3.4%* vs. 2019

POSITIVE JAWS EFFECT

COST OF RISK AT EUR 676 MILLION OR 32bp¹, +67.0%* vs. 2019

PRE-TAX INCOME: EUR 2,883 MILLION, -6.5%* vs. 2019

NET INCOME: EUR 1,870 MILLION, -7.7%* vs. 2019

STRONG FINANCIAL STRUCTURE AT 31 DECEMBER 2020

COMMON EQUITY TIER 1 RATIO OF 15.9%

LIQUIDITY COVERAGE RATIO OF 191%²

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

¹ Cost of risk on average outstanding customer loans.

² On a non-consolidated basis.

Analysis of the full year 2020 financial performance

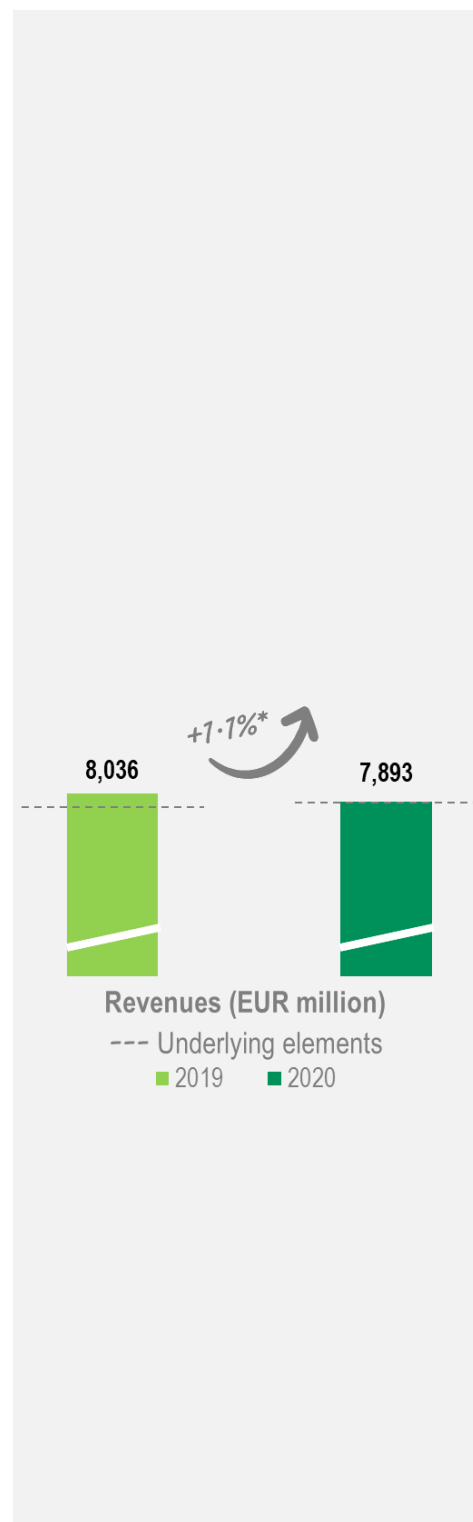
In 2020, the consolidated net income attributable to equity holders amounted to EUR 1,870 million, down by -15.4% compared to 2019. When excluding non-recurrent items (related mainly to the net gain on the sale of Von Essen Bank GmbH in 2019, the impairment of the equity-method investment in bpost bank and one-off results at BNPP-AM in 2020, the depreciation of the Turkish lira and few non-material scope changes), the underlying evolution showed a decrease of -7.7%*.

The below analysis focuses on this underlying evolution.

Resilient gross operating income and net income within the context of the current health crisis and persistently low interest rates

Revenues amounted to EUR 7,893 million, up 1.1%* vs. 2019

- In Belgium¹, revenues decreased by -1.5%*, mainly due to a lower margin on deposits at Belgian Retail Banking, impacted by the persistently low interest rate environment, only partially mitigated by the positive evolution of loan volumes and a significant increase in revenues from financial fees.
- In other business lines, revenues increased by 4.0%*, essentially driven by the continued development of activities at Arval, Leasing Solutions and Personal Finance, and by the loan growth in Luxembourg. In Turkey, the decrease of revenues is due to lower commission income impacted by new regulations, only partially offset by a strong evolution of loan volumes.



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

¹ Belgium includes Belgian Retail Banking, Corporate and Institutional Banking and other activities of BNP Paribas Fortis in Belgium.



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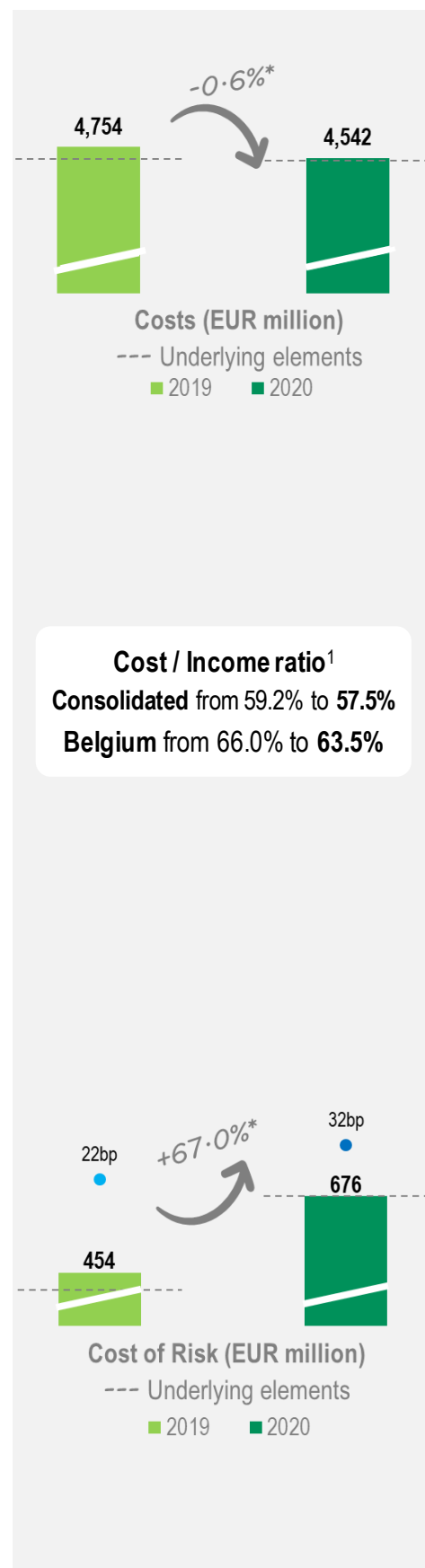
Costs reduced to EUR 4,542 million, down by -0.6%* vs. 2019.

- In Belgium, costs decreased by -2.9%*, reflecting the impact of the measures taken to continue improving the efficiency, with among others the successful ongoing digitalisation of our customer services, the further branch network adaptation and a reduction in headcount, partly offset by inflation and higher banking taxes. There was a positive jaws effect in Belgium.
- In other business lines, the cost increase was limited to 2.6%* (compared to an increase of 8.5%* in 2019), thanks to additional cost containment measures in the context of the health crisis. Positive jaws effect in all business lines, except in Turkey where the stronger cost increase is mainly due to the impact of inflation.

Gross operating income increased by 3.4%* to EUR 3,351 million. The consolidated cost / income ratio¹ improved at 57.5% compared to 59.2% in 2019. In Belgium, the ratio was at 63.5% compared to 66.0% in 2019.

Cost of risk amounted to EUR 676 million, corresponding to 32 basis points of average outstanding customer loans, to be compared to 22 basis points in 2019. The increase in cost of risk (EUR 271 million*) is mainly due to the provisioning of expected losses on performing loans (stages 1 and 2) (EUR 205 million*).

- In Belgium, the cost of risk was materially higher (21 basis points compared to 4 basis points in 2019), also impacted by one specific file.
- Outside Belgium, the cost of risk materially increased in all business lines, except in Turkey where the higher provisioning of expected losses on performing loans was offset by write-backs on specific files.



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

¹ The cost income ratio is calculated by dividing the total operating expenses and depreciation (absolute value) by the total revenues (the net banking income), without excluding the non-recurrent items.



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The share of earnings of equity-method entities was down by -14.6%*, at EUR 322 million, mainly due to a lower contribution from BNP Paribas Bank Polska, BNP Paribas Asset Management and AG Insurance, also impacted by the current crisis.

The net income attributable to equity holders of EUR 1,870 million, was down by -7.7%* compared to 2019. Except Belgium, Turkey and main Equity-Method entities, all other business lines achieve a positive evolution of the net income attributable to equity holders.

Strong Financial Structure

As at 31 December 2020,

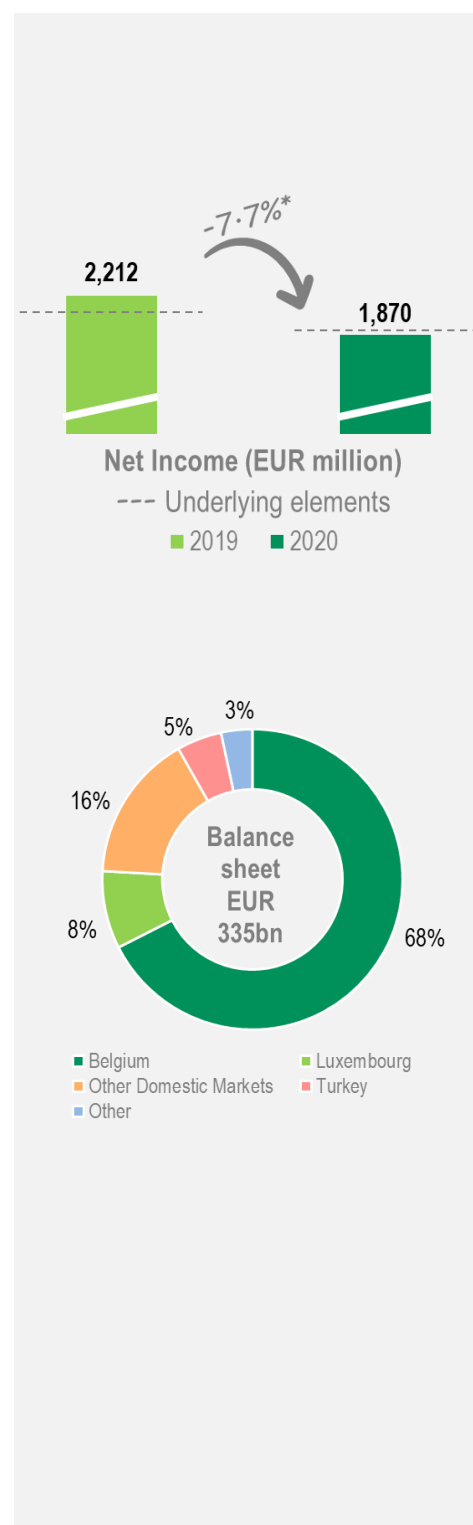
The consolidated balance sheet totalled EUR 335 billion, an increase of EUR 22 billion or 7% compared to the end of 2019.

The consolidated Common Equity Tier 1 ratio stood at 15.9% (compared to 13.2% as of 31 December 2019), well above the regulatory threshold of 9.2%¹.

The non-consolidated Liquidity Coverage Ratio stood at 191% (compared to 127% as of 31 December 2019), well above the regulatory threshold of 100%.

Both ratios reflect the strong financial structure of the bank.

Taking into consideration the current environment, the Board of Directors intends to propose a dividend distribution of EUR 0.84 per share to the Annual General Shareholders' Meeting of 22 April 2021.



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

¹ Excluding Pillar 2 Guidance.



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CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2020	2019	Total variance**		Non-recurrent items*		Variance excl. non-recurrent items**	
			Δ EUR	Δ %	2020	2019	Δ EUR	Δ %
<i>in EUR million</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
Net banking income	7,893	8,036	(143)	-1.8%	7	234	85	1.1%
Operating expenses and Depreciation	(4,542)	(4,754)	212	-4.4%	(36)	(221)	26	-0.6%
Gross operating income	3,351	3,282	69	2.1%	(29)	13	111	3.4%
Cost of Risk	(676)	(454)	(222)	48.9%	(0)	(49)	(271)	67.0%
Operating income	2,675	2,828	(153)	-5.4%	(29)	(36)	(160)	-5.6%
Share of Earnings of Associates	322	254	68	27.0%	67	(45)	(44)	-14.6%
Other Non-Operating Items	(114)	156	(270)	n/a	(114)	156	-	n/a
Pre-tax income	2,883	3,238	(355)	-11.0%	(76)	75	(204)	-6.5%
Corporate income tax	(589)	(620)	31	-5.0%	33	77	76	-10.8%
Minority interests	(424)	(406)	(18)	4.3%	(1)	(14)	(30)	7.7%
Net income attributable to equity holders	1,870	2,212	(342)	-15.4%	(44)	139	(159)	-7.7%

* Non-recurrent items for the Profit and Loss account relate to the following elements:

- Adjustments for constant scope.
- Adjustments for constant exchange rates, mainly related to the Turkish lira depreciation.
- Credit spread-related items, related to the impact of the own credit risk, the evolution of the debit valuation adjustment (DVA) and the funding valuation adjustment (FVA) (2019 figures only).
- Other items, mainly related to the transformation costs and other one-off results, of which mainly the capital gain on the sale of Von Essen Bank GmbH to BNP Paribas German Branch in January 2019, exceptional results at BNPP Asset Management end of 2020 and the impairment of bpost bank in Q4 2020.

Non-recurrent items for the Balance Sheet relate to the adjustments for constant exchange rates and constant scope.

** Variances are calculated as follows:

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



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BNP Paribas Fortis 2020 Annual Results

During the ongoing health and economic crisis, we continue to make every effort to ensure the wellbeing of our customers and colleagues.

In 2020 we lived up to our social responsibilities as we strove to alleviate the impact of COVID-19 on our customers. Among the key measures we took were deferments of loan repayments, the granting of new loans with or without state guarantee and the provision of a wide range of secure payment solutions. Due in large part to the investments we have been making in digitalisation over the last few years, we managed to provide an uninterrupted service during 2020, enabling our customers to continue taking care of their banking affairs.

In Belgium, we granted more than 100,000 payment deferments free of charge. Some 45,500 of these were on mortgage loans totalling EUR 4.0 billion and 57,500 on business loans (including 13,500 lease contracts) amounting to EUR 9.2 billion. Meanwhile we granted over 4,500 loans under the state guarantee scheme. At the request of customers, more than 12,000 moratoria were extended, of which some 3,500 mortgage loans and more than 8,500 business loans (including 800 lease contracts).

Net profit for the year came to EUR 1,870 million, 7.7%¹ down on last year's figure. Interest-based income remains under pressure due to the persistently low interest rate environment. We were able to partly make up for this with higher loan volumes and commission income in Belgium, higher loan volumes in Luxembourg, and higher revenues at Arval, Leasing Solutions and Personal Finance. Owing to the COVID-19 crisis, the cost of risk rose by 67% for the year.

We proceeded steadily with our financing of the Belgian economy, total lending to individual and corporate borrowers in Belgian Retail Banking standing at EUR 115 billion at year-end, up 3.5% on 2019. Total savings came to EUR 138 billion, up 5.3%.

The bank entered the crisis year with a strong capital position, which we managed to maintain, ending the year with a CET1 ratio of 15.9% and an LCR of 191%.

Positive Banking

We remain strongly committed to our #PositiveBanking approach, which was our compass to navigate through 2020. We met our customers' demand for easy and safe payments and digital finance management. Secondly, we continued our efforts to boost entrepreneurship. And thirdly, we stepped up our efforts to promote the transition to a sustainable society - be it in investments, housing, mobility, finance... - as the vital component of a resilient economy in the post-COVID era.

Making life easier

We saw a marked intensification in customers' use of digital banking tools in 2020. On average, our customers are now making use of Easy Banking App & Web more than once a day. The number of Easy Banking App users rose to 1.7 million, a 13% increase on 2019. At the same time, contactless debit card payments at retail businesses achieved a significant breakthrough, with a 325% increase in usage. We also saw a 22% rise in financial advice provided via our Easy Banking Centre. For the

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year as a whole, direct sales attained a 55% share of total sales in both the retail and corporate segments.

Adding to our already uniquely wide range of contactless payment solutions, we are now making the Visa Debit Card available, an innovative card offering greater security and ease of use that is accepted practically everywhere in the world, both at stores and on the internet.

During the year and in order to help SMEs boost their e-commerce and simplify payments at their points of sale, we have developed Axepta, an electronic payment validation system designed for a complete and secure online and in-store payment service. More than 15,000 merchants adopted Axepta in 2020.

Enabling our people to grow

COVID-19 had a serious impact on our day-to-day work, as it forced a large proportion of our staff to work from home for a significant part of the year, resulting in a total of 915,000 telework days, i.e. 10.7 telework days on average per month per employee. Nevertheless, our commercial staff remained present in our branches and centres in order to serve our clients face-to-face or remotely, and to advise and support them throughout these unprecedented times. Meanwhile our IT department seamlessly provided the necessary IT infrastructure to adapt to these exceptional circumstances.

In 2020 we continued to invest in training our staff through digital channels, devoting 3.41 % of total staff expenditure on training, a slightly higher percentage than in 2019. We also continued to hire, onboarding 378 new colleagues during the year, while nearly double this number of staff took advantage of internal mobility opportunities, moving to a different business line within the bank.

Rooting sustainability in our DNA

In order to build back a resilient economy, we recognise that it is of vital importance to make a shift towards greater sustainability.

Socially Responsible Investment (SRI) funds are offered to our customers as the first and preferred option, and with a market share of 37.8%¹ we are market leader in Belgium. Ninety-three of our investment funds, with a total of EUR 29.8 billion AuM, carry the Febelfin 'Towards Sustainability' label. We also successfully launched the 'Serenity' investment advice tool. Our Private Banking experts offer the client a portfolio with optimal asset allocation that attach considerable importance to the ESG scores of companies in which investments are made.

We support our customers' drive for positive impact by offering green housing and mobility solutions. In 2020, we became the first Belgian bank to offer the Energy Efficient Mortgage label. We also provided green mortgage loans totalling EUR 3.75 billion, a rise of 4% in a very complex year. Through Arval & AlphaCredit we are facilitating the move towards e-mobility, granting contracts for e-bikes, e-cars and hybrid cars.

Financing provided by BNP Paribas Fortis in the sustainable energy field during the year came to over EUR 3.5 billion, 16% higher than 2019.

¹ Market share in assets under management of BNP Paribas Fortis in sustainable private banking services in the Belgian market in 2019. MIRA Report "Duurzaam sparen en beleggen in België, Actualisatie tot 2019 en nieuwe trends en inzichten", October 2020, University of Antwerpen and Forum Ethibel.



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CEO Max Jadot underlined: “During this pandemic, our customers remain, as ever, our number one priority. We continue to support them to overcome the crisis and to realise their ambitions.

I’m proud that, in spite of the difficult circumstances, our staff have always been there for our customers and for the various communities whom we serve. Our distribution channels ensured maximum availability, accessibility and security

throughout the year. We’ve also been able to drive ahead with the process of digitalising, broadening and ‘greening’ our product range.

Looking forward, BNP Paribas Fortis will continue to play its role in building back the Belgian economy, ensuring the necessary liquidity to support companies and families in the post-COVID era and the long-term resilience of the economic fabric. To do so, we will further capitalise on the digital acceleration we’ve seen in 2020 and drive forward the transition to a more sustainable society.

I’d like to thank all our staff for their efforts during the unprecedented year 2020 to serve all our customers, and I thank our customers for the trust they continue to place in us.”



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The consolidated net result amounting to EUR 1,870 million has been derived from the consolidated Financial Statements 2020 of BNP Paribas Fortis, which were validated by the Board of Directors on 10 March 2021.

The statutory auditor has substantially completed its audit on these Financial Statements and anticipates issuing the following audit report:

"Unqualified opinion on the consolidated accounts 2020."

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

Please note that the results of BNP Paribas Fortis SA/NV announced in this press release are the consolidated results of BNP Paribas Fortis SA/NV and are not equivalent to the contribution of BNP Paribas Fortis to the consolidated results of BNP Paribas.

This document includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions and statements regarding plans, objectives and expectations with respect to future events, operations, products and services, as well as statements regarding future performance and synergies. Forward-looking statements are not a guarantee for future performance. They are subject to inherent risks, uncertainties and assumptions on investments, developments at BNP Paribas Fortis and its subsidiaries, banking industry trends, future capital expenditure and acquisitions, changes in economic conditions globally or in BNP Paribas Fortis' principal local markets, the competitive market and regulatory factors.

Those events are uncertain; their outcome may differ from current expectations, which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this document is made at the date of this document. BNP Paribas Fortis does not recognise any obligation to publicly revise or update any forward-looking statements in the light of new information or future events. The information contained in this document as it relates to parties other than BNP Paribas Fortis or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

Press Contact:

Hans Mariën – hans.marien@bnpparibasfortis.com –	+32 2 565 86 02 – +32 475 74 72 86
Valéry Halloy – valery.halloy@bnpparibasfortis.com –	+32 2 565 46 50 – +32 475 78 80 97
Hilde Junius – hilde.junius@bnpparibasfortis.com –	+32 2 565 47 37 – +32 478 88 29 60
Jeroen Petrus – jeroen.petrus@bnpparibasfortis.com –	+32 2 312 54 84 – +32 498 32 14 94

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BNP Paribas (www.bnpparibas.com) is a leading bank in Europe with an international reach. It has a presence in 71 countries, with approximately 199,000 employees, of which more than 151,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending. BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.



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