



BNP PARIBAS FORTIS

Residential Mortgage Pandbrieven Programme

Investor Presentation

October 2023



BNP PARIBAS
FORTIS

The bank for a changing world



Executive Summary

Executive summary

Market Leading Issuer

A bank with the largest retail network in Belgium
BNP Paribas Fortis - an integral part of the BNP Paribas Group

Highly-rated, secured instrument

A conservative financial profile supported by strong credit ratings, essentially in line with those of BNP Paribas Group (Aa3 / AA- / A+ / AA (low) by Moody's, S&P, Fitch and DBRS respectively*)

European Covered Bond Premium label

BNP Paribas Fortis has been granted the authorization to use the "European Covered Bond Premium" label, the highest level of label

Residential Mortgage Pandbrieven Programme

On Balance-sheet structure where the cover assets are legally segregated in an on-balance 'special estate'

Dual recourse available against the issuer and the cover assets
Special supervision by the National Bank of Belgium and the Cover Pool Monitor

Belgian Residential Mortgage Cover Pool

High quality Belgian residential mortgage loans originated by BNP Paribas Fortis, subject to strict eligibility criteria

* Ratings of BNP Paribas SA, see page 9 for BNP Paribas Fortis ratings

AGENDA

1. BNP Paribas Fortis, part of a robust world financial player
2. Belgium and its Mortgage Market
3. Legal Framework
4. Residential Mortgage Pandbrieven Programme
5. Conclusion

Appendices

1. BNP Paribas Fortis, part of a robust world financial player

BNP Paribas Group

A business model performing in all environments with strong pillars sustaining our ambitions

A client-centric model

The Group's long term approach is powered by its ability to build deep relationships and relies on strong risk management

An integrated model

Through cooperation between all its businesses & its global connectivity, the Group provides complete coverage of client's needs & accompany them in their development

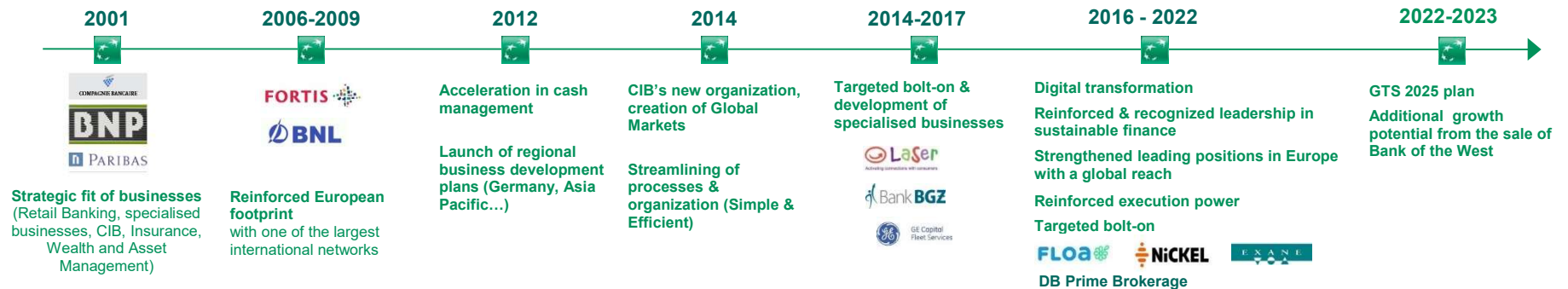
A diversified model

The Group is diversified by client segments, regions, sectors & businesses which ensures stronger earnings stability & opens growth opportunities

A model at scale

The Group's development and expansion is bolstered by digitalization and technologies enabling powerful execution at marginal costs

A model forged through historical and strategic developments



BNP Paribas Fortis, the leading franchise in the Belgian Market

THE STRONGEST FRANCHISE ON THE BELGIAN MARKET

20-30%

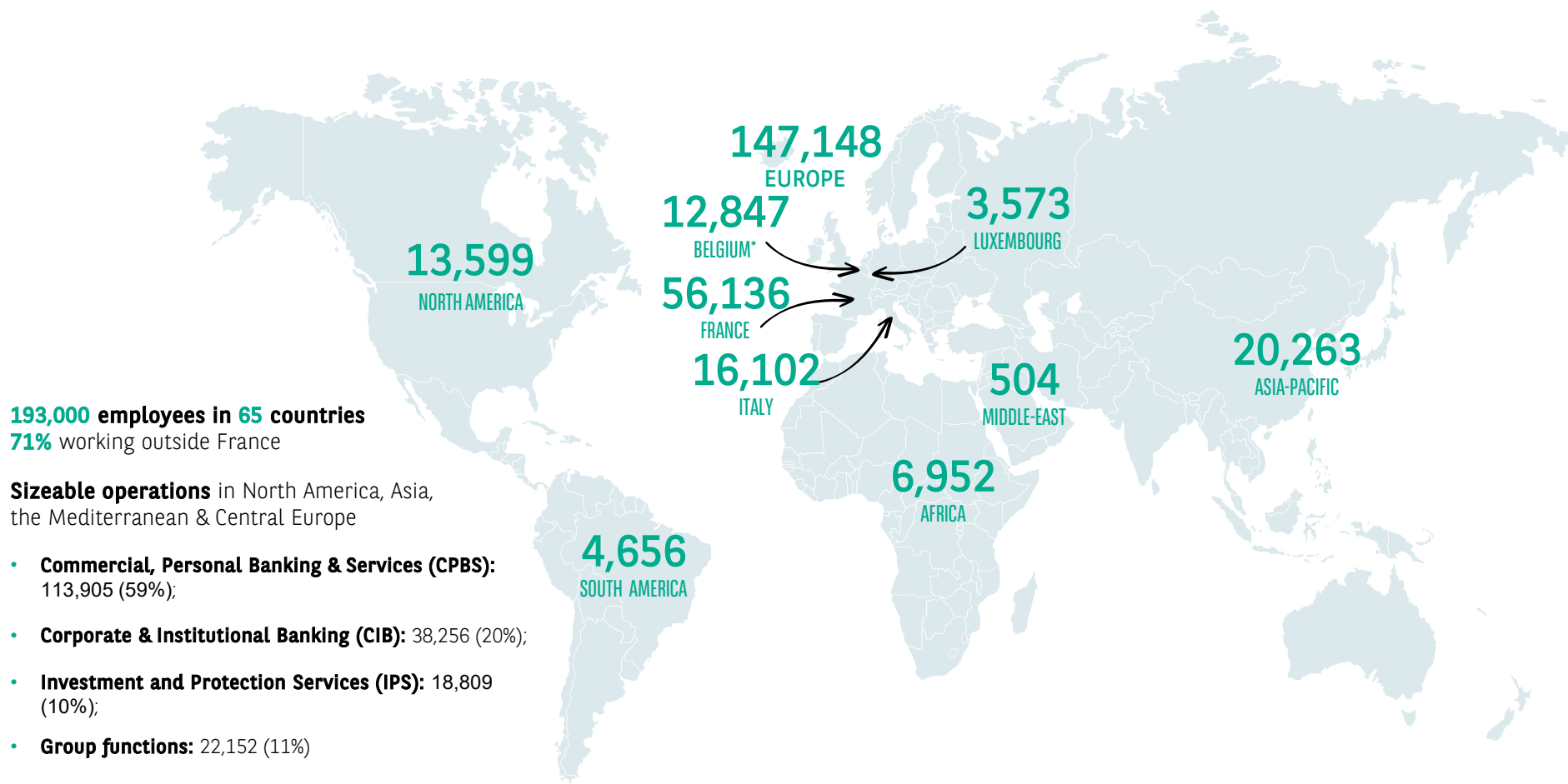
Market share in Belgium across almost all product categories

> Growth opportunities in selected segments and products

MARKET LEADER IN

- ✓ Retail Banking
- ✓ Private Banking
- ✓ Wealth Management
- ✓ SME Banking
- ✓ Corporate Banking
- ✓ Transaction Banking
- ✓ Investment Banking
- ✓ Leasing
- ✓ Consumer Finance
- ✓ Mortgages
- ✓ Professional Lending
- ✓ Current Accounts
- ✓ Savings
- ✓ Debit Cards
- ✓ Credit Cards
- ✓ Sustainable invest
- ✓ Branch 21

Part of BNP Paribas, a world player
 With extensive geographical reach












193,000 employees in 65 countries
71% working outside France

Sizeable operations in North America, Asia, the Mediterranean & Central Europe

- **Commercial, Personal Banking & Services (CPBS):** 113,905 (59%);
- **Corporate & Institutional Banking (CIB):** 38,256 (20%);
- **Investment and Protection Services (IPS):** 18,809 (10%);
- **Group functions:** 22,152 (11%)

* Of which BNP Paribas Fortis: 10,400. Data 31.12.2022

_____ Solid Bank ratings* for BNP Paribas and BNP Paribas Fortis

| | STANDARD & POOR'S | MOODY'S | FitchRatings |
|---|---|--|--|
|  BNP PARIBAS |  since 5 April 2019 |  since 27 September 2017 |  since 6 June 2019 |
|  BNP PARIBAS FORTIS |  since 5 April 2019 |  since 21 June 2012 |  since 13 September 2022 |
|  BGL BNP PARIBAS | | | |

*Long-Term Senior Debt ratings.



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2. Belgium and its Mortgage Market

The Belgian economy

Belgium economy has rebounded in 2023

- Belgium's GDP is expected to increase by 1.4% in 2023 (NBB, June 2023). Business and consumer confidence indicators are close to their historical averages.
- Belgium's unemployment rate stands at a low figure of 5.7% (May 2023). In Q1 2023, Belgium's job vacancy rate was 4.7%. This was the highest of the EU.
- In 2022, Belgium's government deficit has improved to -3.90% of GDP (National Bank of Belgium), and the debt ratio has declined to 105.1%. The government deficit would widen -4.80% of GDP in 2023 (Federal Planning Bureau, June 2023), and Belgium's debt ratio would slightly increase to 105.4%.
- Belgium has one of the highest net international investment positions (53.6% of GDP in 2022) of the EU. The net financial wealth of the Belgian households amounts to EUR 1,157 billion or 200% of GDP.

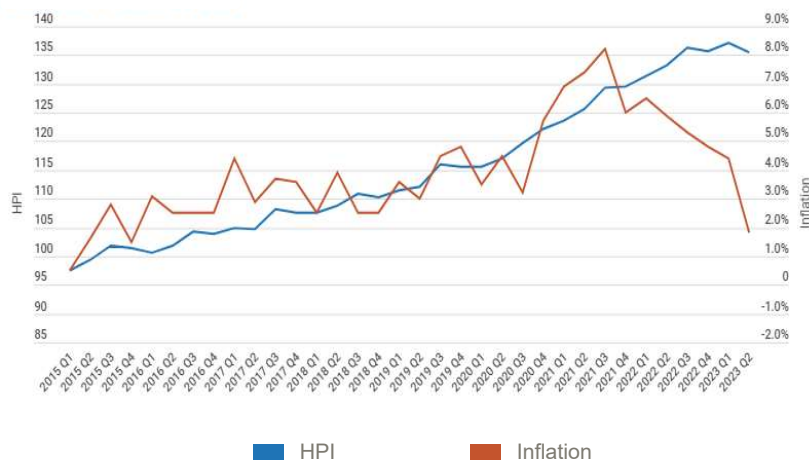


(quarter-on-quarter growth of real GDP, percentages, seasonally and working-day adjusted; the numbers in the boxes refer to annual growth)

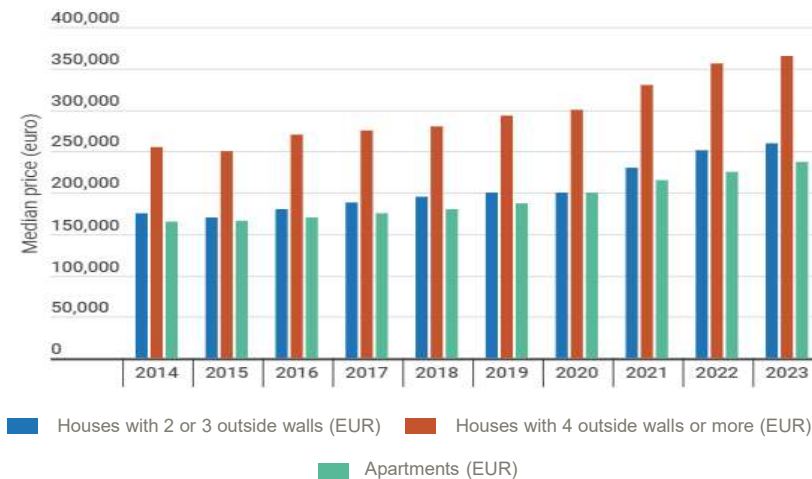
Sources: NAI, NBB and BDA

Belgium – House Price Evolution

House Price Index & Inflation rate (RHS)



Evolution of dwelling prices



The annual inflation rate for house prices amounts to 1.8% in the second quarter of 2023, which is a sharp decrease compared to the rate of 4.4% observed in the previous quarter. The average inflation rate for the last four quarters amounts to 4.1% in the second quarter of 2023. The house price index stands at 135.51 points (2015=100) against 137.20 points in the previous quarter: it has decreased by 1.2% compared to the first quarter of 2023

Compared to the first semester of 2022, the median price of attached or semi-detached houses increased by 3.3% at national level. The median price for detached houses increased by 2.5%. Apartments became 5.3% more expensive.

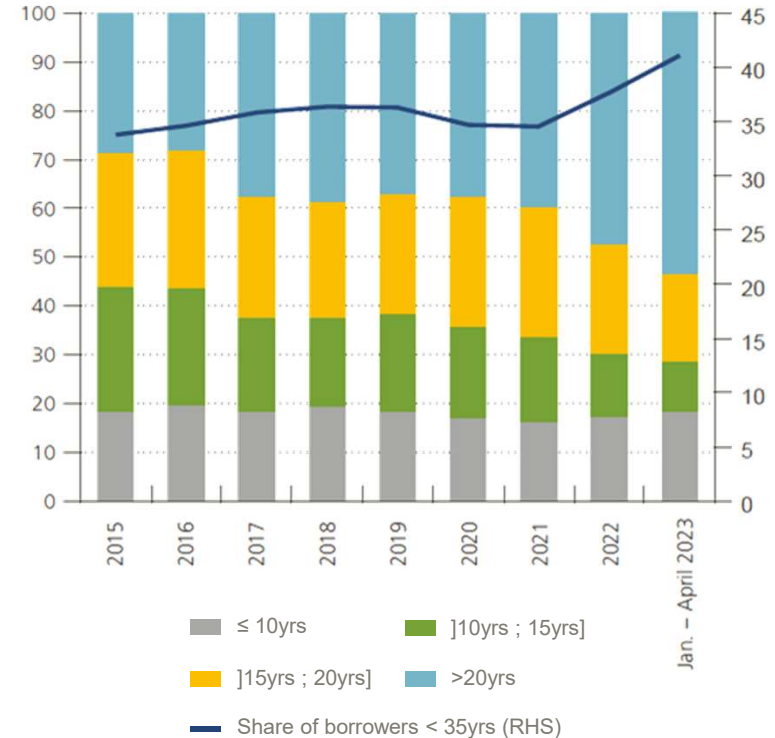
Source: Statbel

Belgium – Loan to Value and Maturity at origination

Breakdown of new mortgage loans according to LTV, by borrower Segment (in%)



Breakdown of new mortgage loans according maturity and share of borrowers aged under 35 (in%)

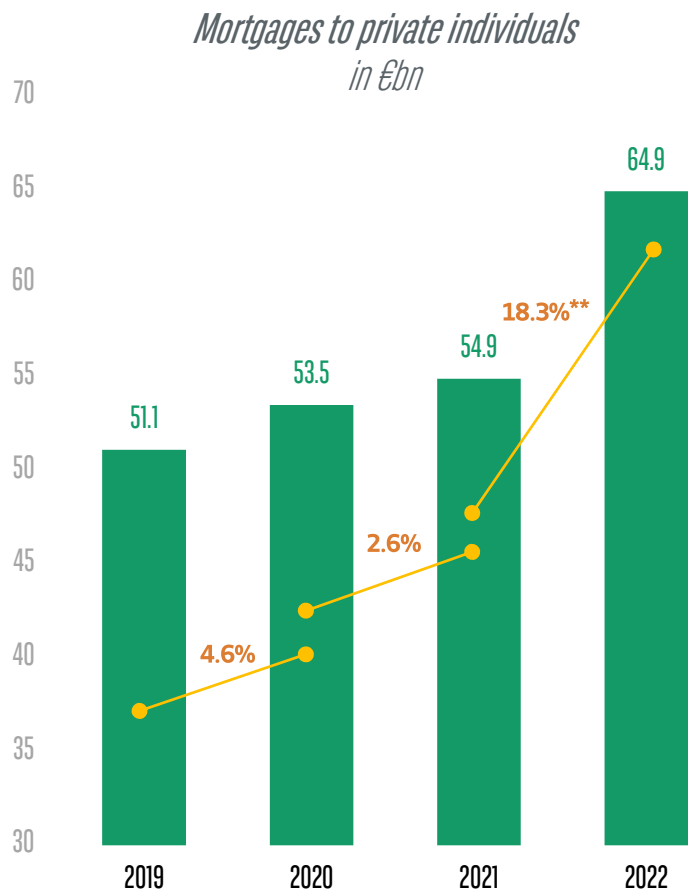


In early 2020, the NBB issued prudential expectations for financial institutions providing mortgage loans. These recommendations aimed to improve the average credit quality of new mortgage loans, in particular by reducing the share of loans with a high loan-to-value (LTV) ratio.

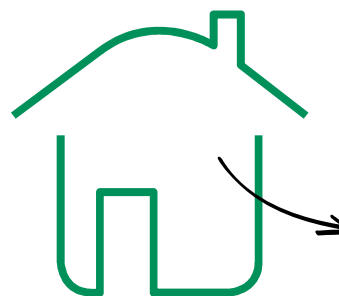


BNP Paribas Fortis' role in the economy

Mortgages to individuals*



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Mortgages

Almost

1 IN 4

is BNP Paribas Fortis

* Figures Commercial & Personal Banking Belgium 2022. **Scope change (integration of bpost bank)



3. Legal Framework

Legislative Framework

Amendments to the Belgian legal framework

- **Category 1: residential mortgage loans**
 - Exclusion of RMBS tranches (**art 3 of the Royal Decree Covered Bonds (“RD”)**)
- **Category 2: commercial mortgage loans**
 - Exclusion of CMBS tranches (**art 3 RD**)
- **Category 3: public sector exposure**
 - Exclusion of public sector ABS tranches (**art 3 RD**)
 - Loans “insured by” public sector entities no longer eligible (**art 3 RD**)
- **Category 4: exposure on credit institutions**
 - Restriction to credit quality step 1 or 2 (**art 3 RD**)
 - Max 10% in credit quality step 2 (**art 3 RD**)
 - Max 15% in credit quality step 1 or 2 (**art 3 RD**)
 - Short term deposits or derivatives (aligned with the CB Directive) (**art 3 RD**)
- For the real estate properties the eligibility rules of art 208 CRR apply, but for residential properties the monitoring frequency is set at least (**art 3 and 6 RD**)
- Definition of default applies cfr art 178 CRR (**art 3 RD**)
- For liquid bonds: LCR level 1 only (**art 7 RD**)

Legislative Framework

Strong Legal Protection Mechanisms

Collateral Type – 85% test

- The value of one asset category must be at least 85% of the nominal amount of the covered bonds

Overcollateralisation – 105% test

- The value of the cover assets must at least be 105% of the nominal amount of the covered bonds
- Amendment: Correction for principal that was used to cover interest shortfall in the Asset Coverage Test (art 5 RD)

Asset Coverage Test

- The sum of interest, principal and other revenues of the cover assets must at least be equal to the interest, principal and costs of the covered bond
- Amendment: Value of principal proceeds limited to the value of cover assets (art 5 RD)

Liquidity Test – 180 days test

- Cover assets must generate sufficient liquidity to pay all unconditional payments on the covered bonds for the next six months
- Amendment: loans in arrears do not fully count; 50% > 30 days and 0% > 90 days in arrears (art 7 RD)

The value of residential mortgage loans –
borrowing base calculation

- *The value against which covered bonds can be issued = the MINIMUM of*
 - *The outstanding loans amount*
 - *80% of the market value of the underlying property*
 - *The amount of the mortgage (inscription + mandate)*
 - *The amount of the mortgage inscription / 0.6*
- *50% reduction when 30+ days in arrears*
- *No value when 90+ days in arrears (or defaulted)*

Legislative Framework

Further Amendments

- Stress test reporting to the NBB on the three coverage tests and the liquidity test (**art 8 RD**)
- 8% asset encumbrance limit for covered bonds abolished as from 1 January 2024 (**art 10 RD**)
 - Temporary derogation in exceptional circumstances is possible
 - Institutions having at least 8% of TLOF in subordinated liabilities can already ask that the 8% limit no longer applies
 - The NBB can impose volume limitations to protect the other creditors
- Monthly investor reporting requirement introduced in the legislation (**art 12 RD**)
- Extension triggers (**art 13/1 of Annex III of the Banking Law**)
 - Only the following two extension triggers are allowed
 - Failure to pay; and/or
 - A decision by the cover pool administrator following a liquidation or resolution procedure
 - Reasons for extension and action plan to be filed to the regulator within 15 business days
 - Sequencing of the maturities to be respected
- The list of covered bonds that qualify as European Covered Bond (premium) are published on the webpage of the National Bank of Belgium:
 - In Dutch:
www.nbb.be/nl/financieel-toezicht/prudentieeltoezicht/toezichtsdomeinen/kredietinstellingen/lijsten/door-de
 - In French:
www.nbb.be/fr/supervision-financiere/controle-prudentiel/domaines-de-controle/etablissements-de-credit/listes-5



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4. Residential Mortgage Pandbrieven Programme

Residential Mortgage Pandbrieven Programme

Key Programme Terms

| | |
|---------------------|---|
| Issuer | BNP Paribas Fortis SA/NV |
| Programme Size | EUR 10 bn |
| Ratings | AAA (S&P) / Aaa (Moody's) |
| Maturity Type | Soft bullets |
| Main Asset Category | Prime Belgian residential mortgage loans |
| Listing | Euronext Brussels (unlisted registered issuance possible) |
| Governing Law | Belgian law |
| Clearing | NBB Securities Settlement System, Euroclear and Clearstream |

Residential Mortgage Pandbrieven Programme

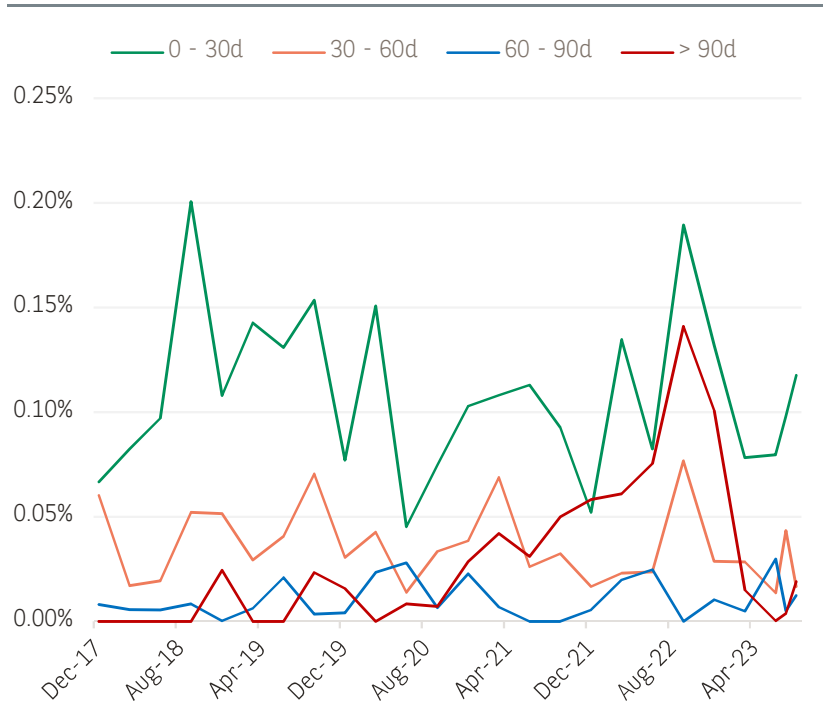
Cover Asset Description (end Sep 2023)

| | |
|-------------------------|---|
| Pool Notional | € 2,952,828,085 |
| Number of Loans | 44,438 loans |
| Number of Borrowers | 23,494 borrowers |
| WA LTV | 48.53% |
| Remaining maturity | 13.98 years |
| Remaining life | 7.30 years |
| Rate Type | 92.75% fixed rate loans ; 7.25% variable rate loans |
| Average Loan Amount | € 66,448 |
| Average Borrower Amount | € 125,684 |

Residential Mortgage Pandbrieven Programme

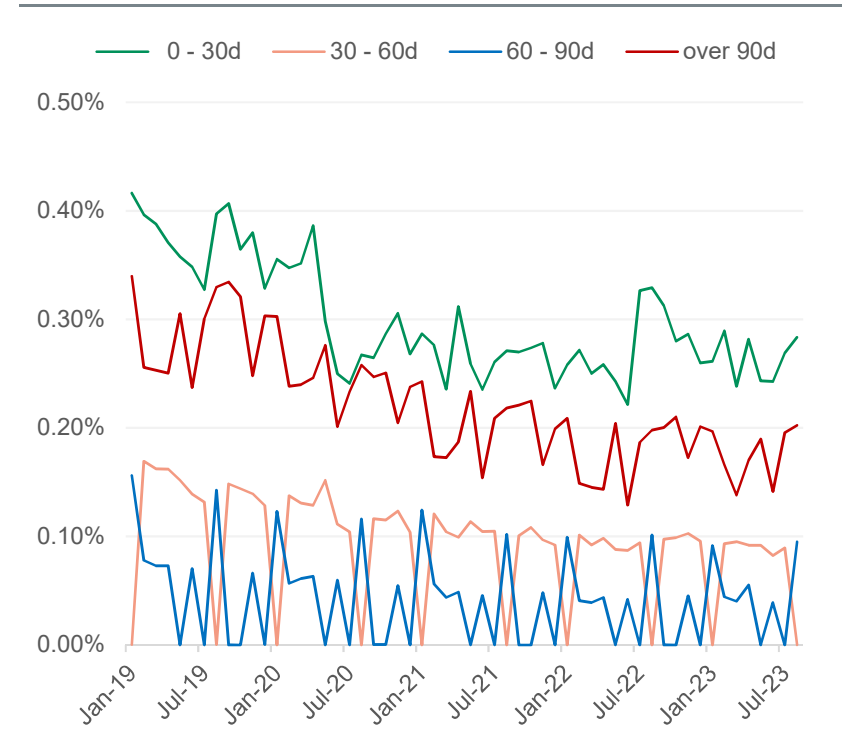
Cover Asset Performance (end-Sep 2023)

Loans in arrears - % of total amount



Performance of the underlying portfolio of the Covered Bond Program. This portfolio is managed by removing loans in arrears that have less covered bond value*

Amounts in arrears, in% of total outstanding



Performance of the total Belgian residential mortgage portfolio of BNP Paribas Fortis.

Residential Mortgage Pandbrieven Programme

Rating agencies

S&P (As of 30 September 2022)

S&P Global
Ratings

| | |
|---------------------------|-----------------|
| Rating | AAA |
| Required OC | 16,33% |
| Rating Leeway | 3 notches |
| Issuer Credit Rating | A+ |
| Systemic Importance | Very Strong |
| Legal Framework | Very Strong |
| Resolution Regime uplift | 2 notches |
| Collateral Support uplift | Up to 3 notches |

Moody's (As of 30 June 2023)

MOODY'S

| | |
|--------------------------------|-----------------|
| Rating | Aaa |
| Required OC | 11% |
| Rating Leeway | 4 notches |
| CR Assessment | Aa3 (cr) |
| CB Anchor | Aa2 |
| Timely Payment Indicator (TPI) | Probable - High |
| TPI Leeway | 4 |
| Collateral Score | 5,0% |
| Cover Pool Losses | 28,5% |



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5. Conclusion

Conclusion



Highly-rated, secured instrument

Rated AAA / Aaa by S&P and Moody's
Collateralised by high quality prime Belgian residential mortgage loans



Recourse of the Investor against BNP Paribas Fortis

Rated A+ (stable) / A2 (stable) / AA- (stable) by S&P, Moody's and Fitch
Part of the BNP Paribas Group and largest bank in Belgium



Legal privilege over a stable and high quality cover pool

Strict legal borrowing base calculation
Superior performance of the Belgian mortgage loans



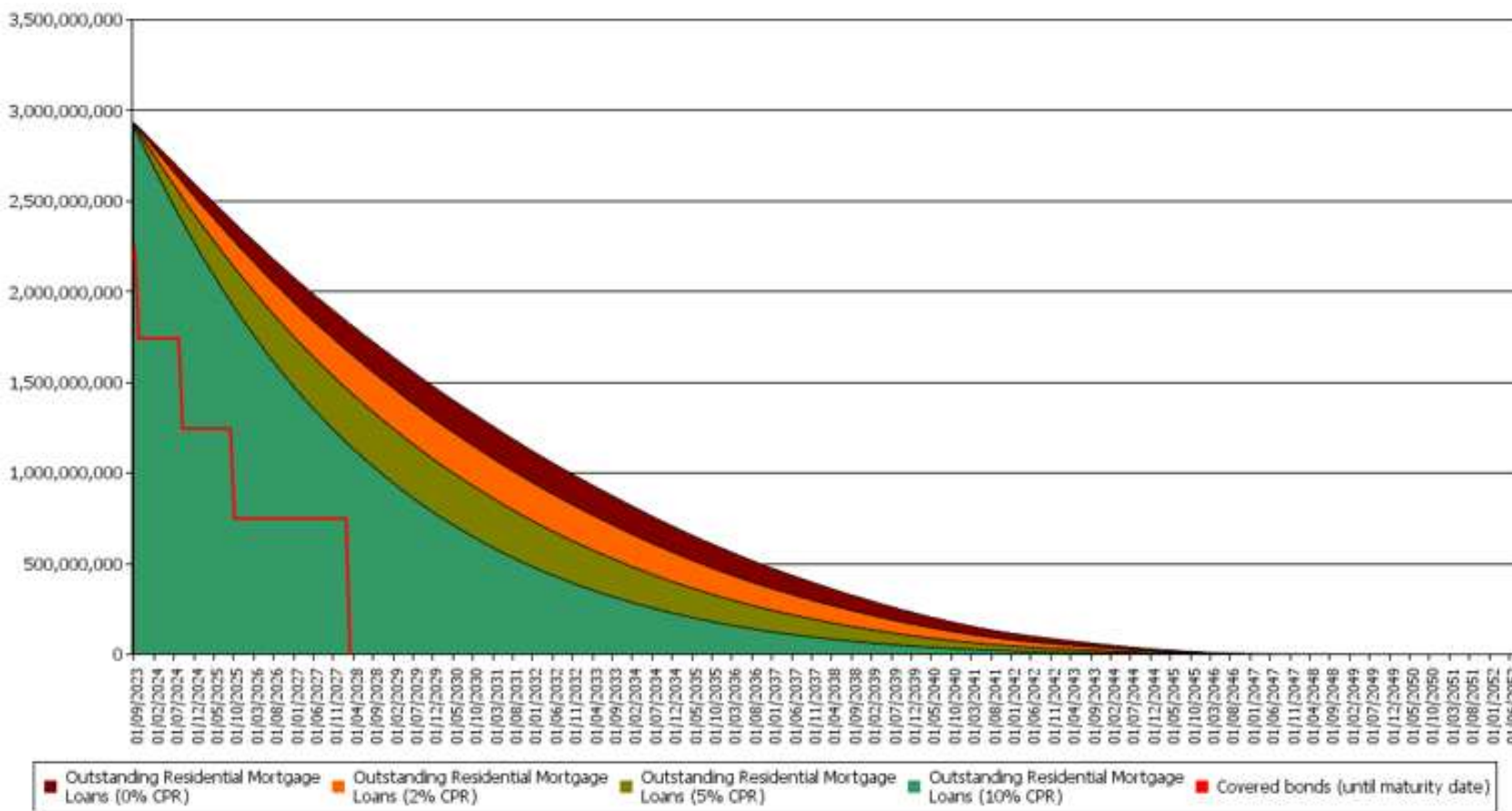
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Appendices

Amortisation profiles

All amounts in EUR



Values as of 01/09/2023

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