BGL BNP Paribas S.A.

Key Rating Drivers

IDRs Equalised with Ultimate Parent: BGL BNP Paribas S.A.'s (BGL BNPP) Long- and Short-Term Issuer Default Ratings (IDRs) are equalised with those of its ultimate parent, BNP Paribas SA (BNPP; AA-/Stable/F1+). This is because Fitch Ratings believes there is an extremely high probability of extraordinary support from BNPP, if needed.

Key to BNPP's Strategy: BGL BNPP has a key role within the BNPP group. Its strategic importance for BNPP stems from its strong retail and commercial banking franchise in Luxembourg, a key country for BNPP's pan-European franchise. BGL BNPP operates in the eurozone and is a material and highly integrated foreign subsidiary for BNPP. As a result, we do not expect regulatory restrictions on flows from the parent to support its subsidiary.

Very Strong Shareholder Ability to Support: Fitch believes a default of BGL BNPP would severely damage BNPP's reputation. This creates a strong incentive for BNPP to provide extraordinary support. BNPP also has sufficient resources to ensure BGL BNPP's viability by recapitalising it to a level acceptable to regulators on a timely basis, if required, given BGL BNPP's small size relative to its ultimate parent.

Close Integration into Group: BGL BNPP is 50% owned by BNP Paribas Fortis SA/NV (AA-/Stable/F1+), which is itself almost wholly owned by BNPP. BNPP directly owns a further 16% of BGL BNPP, with the state of Luxembourg holding the remaining 34%. BGL BNPP's strategy, management and operations are highly integrated with the group. It consolidates BNPP's equipment leasing operations, in line with the parent's strategy to optimise group capital and liquidity allocation.

No Viability Rating Assigned: The consolidation of BNPP's leasing activities, large intra-group transactions and high integration prevent Fitch from evaluating BGL BNPP's standalone creditworthiness and franchise meaningfully in its own right through a Viability Rating.

Moderate Risk Profile: BNPP centrally decides on and approves risk policies for its key subsidiaries. Loan quality has continued to deteriorate, with the impaired loans ratio rising to 4.2% at end-2025. This reflects material weakening in the bank's exposure to higher-risk segments such as construction sector and commercial real estate market, coupled with a reduction of the loan portfolio. Loan impairment charges slightly increased above 40bp of gross loans in 2025.

Resilient Profitability: BGL BNPP's profitability ratios are sound, with the four-year average operating profit/risk-weighted asset ratio close to 3%. Operating efficiency is satisfactory, and the cost/income ratio is low (four-year average below 50%).

Strong Capitalisation: BGL BNPP has very strong capital ratios, with a common equity Tier 1 (CET1) ratio of 20.6% at end-2025. This provides the bank with a comfortable buffer above its minimum capital requirements. The leverage ratio is sound at around 10%. Internal capital generation benefits from resilient earnings generation and moderate dividend pay-outs.

Robust Funding and Liquidity: The bank has a strong retail and commercial deposit base in Luxembourg, which has historically represented 70%-80% of the bank's funding. The bank also accesses the short-term wholesale funding markets and BNPP directly funds part of its leasing activities through BGL BNPP. The liquidity management is aligned with that of BNPP. BGL BNPP has a large buffer of liquid assets in the form of cash and interbank placements, mostly placed within the group.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

BGL BNPP's ratings could be downgraded if BNPP's Long-Term IDR is downgraded, or if Fitch perceives a decrease in the subsidiary's strategic importance for BNPP.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of BGL BNPP's ratings would require an upgrade of BNPP's ratings.

Other Debt and Issuer Ratings

Rating Level	Rating
Deposits	AA-/F1+
Senior unsecured debt	AA-/F1+

Source: Fitch Ratings

BGL BNPP's IDRs, DCR, senior unsecured debt and deposit ratings are aligned with those of BNPP. This reflects Fitch's view that BGL BNPP's external creditors and depositors would benefit from the protection arising from BNPP's very large resolution debt buffer.

Financials

Financial Statements

	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
	12 months	12 months	12 months	12 months
	(EURm)	(EURm)	(EURm)	(EURm)
Summary income statement				
Net interest and dividend income	1,421	1,532	1,604	1,691
Net fees and commissions	181	186	182	189
Other operating income	104	128	167	147
Total operating income	1,706	1,847	1,953	2,027
Operating costs	854	912	915	922
Pre-impairment operating profit	852	935	1,038	1,105
Loan and other impairment charges	73	98	142	175
Operating profit	779	838	896	930
Other non-operating items (net)	-26	163	-27	-11
Tax	181	275	225	247
Net income	572	726	643	672
Other comprehensive income	-222	112	48	40
Fitch comprehensive income	350	837	691	712
Summary balance sheet				
Assets				
Gross loans	39,024	38,780	39,213	38,821
– of which impaired	918	1,025	1,442	1,617
Loan loss allowances	692	713	786	835
Net loans	38,332	38,067	38,428	37,986
Interbank	6,676	5,686	5,983	5,918
Derivatives	732	653	629	529
Other securities and earning assets	3,616	4,625	6,192	7,369
Total earning assets	49,355	49,032	51,232	51,802
Cash and due from banks	10,302	11,820	9,484	10,617
Other assets	2,204	2,415	2,356	2,180
Total assets	61,861	63,267	63,072	64,599
Liabilities				
Customer deposits	37,476	36,226	36,836	39,936
Interbank and other short-term funding	12,821	14,741	13,806	11,930
Other long-term funding	460	284	138	19
Trading liabilities and derivatives	568	650	694	503
Total funding and derivatives	51,325	51,900	51,474	52,388
Other liabilities	1,929	2,314	2,349	2,433
Total equity	8,607	9,053	9,249	9,779
Total liabilities and equity	61,861	63,267	63,072	64,599

Exchange rate	USD1= EUR0.9376	USD1= EUR0.9127	USD1= EUR0.9622	USD1= EUR0.8511

Source: Fitch Ratings, Fitch Solutions, BGL BNPP

Key Ratios

(%)	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
Profitability				
Operating profit/risk-weighted assets	2.8	3.0	3.0	2.8
Net interest income/average earning assets	3.0	3.1	3.2	3.3
Non-interest expense/gross revenue	50.6	49.7	47.2	45.9
Net income/average equity	6.7	8.2	7.0	7.1
Asset quality				
Impaired loans ratio	2.4	2.6	3.7	4.2
Growth in gross loans	4.8	-0.6	1.1	-1.0
Loan loss allowances/impaired loans	75.3	69.5	54.5	51.6
Loan impairment charges/average gross loans	0.2	0.3	0.4	0.4
Capitalisation				
Common equity Tier 1 ratio	23.3	24.2	23.0	20.6
Tangible common equity/tangible assets	13.5	14.0	14.3	14.7
Basel leverage ratio	10.1	10.3	10.4	10.4
Net impaired loans/common equity Tier 1 capital	3.5	4.7	9.7	11.3
Funding and liquidity				
Gross loans/customer deposits	104.1	107.1	106.5	97.2
Liquidity coverage ratio[a]	130.3	124.1	120.7	121.2
Customer deposits/total non-equity funding	73.8	70.7	72.5	77.0
Net stable funding ratio	109.0	110.1	114.6	119.1

[a] 12-month average liquidity coverage ratio.
Source: Fitch Ratings, Fitch Solutions, BGL BNPP

Support Assessment

Shareholder Support

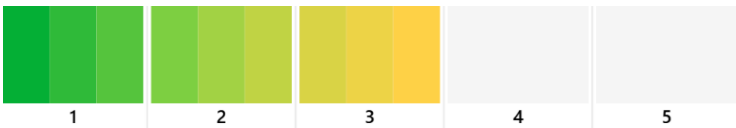
Shareholder	BNP Paribas SA
Shareholder Long-Term Issuer Default Rating	AA-/Stable
Total adjustment (notches)	0
Shareholder Support Rating	aa-
Shareholder ability to support	
Shareholder regulation	Equalised
Relative size	Equalised
Country risks	Equalised
Shareholder propensity to support	
Role in group	Equalised
Reputational risk	Equalised
Integration	Equalised
Support record	1 notch
Subsidiary performance and prospects	Equalised
Legal commitments	2+ notches

The colours indicate the influence of each support factor in our assessment. Influence: Blue = neutral; Red = higher
Source: Fitch Ratings

Very High Probability of Support from Ultimate Parent

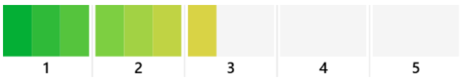
Fitch's assessment of an extremely high likelihood of shareholder support, as reflected in a Shareholder Support Rating of 'aa-', is driven by the bank's role in the group, its strong integration with the parent and reputational risk for BNPP in case of a default of the subsidiary. BNPP's ability to support BGL BNPP is very strong, as reflected in BNPP's Long-Term IDR of 'AA-'. We believe that the cost of any support would likely be manageable for the group, given BGL BNPP's strong asset quality and solid capitalisation, and its limited size relative to the group.

Environmental, Social and Governance Considerations



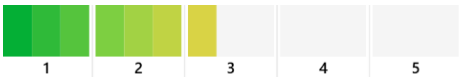
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality



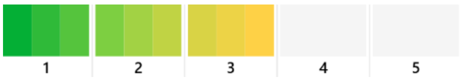
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Ratings

Foreign Currency	
Long-Term IDR	AA-
Short-Term IDR	F1+
Derivative Counterparty Rating	AA-(dcr)
Shareholder Support Rating	aa-
Sovereign Risk (Luxembourg)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (May 2026)

Related Research

Global Economic Outlook (June 2026)
Fitch Affirms BNP Paribas' Long-Term IDR at 'AA-'; Outlook Stable (May 2026)
Fitch Affirms Luxembourg at 'AAA'; Outlook Stable (October 2025)

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