CREDIT OPINION
4 June 2026

Update

Send Your Feedback

RATINGS

BGL BNP Paribas

Domicile	Luxembourg, Luxembourg
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Guillaume Lucien-Baugas +33.1.5330.3350
VP-Sr Credit Officer
guillaume.lucien-baugas@moodys.com

Mikhail Panasiuk +33.1.5330.3442
Sr Ratings Associate
mikhail.panasiuk@moodys.com

Olivier Panis +33.1.5330.5987
Associate Managing Director
olivier.panis@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

BGL BNP Paribas

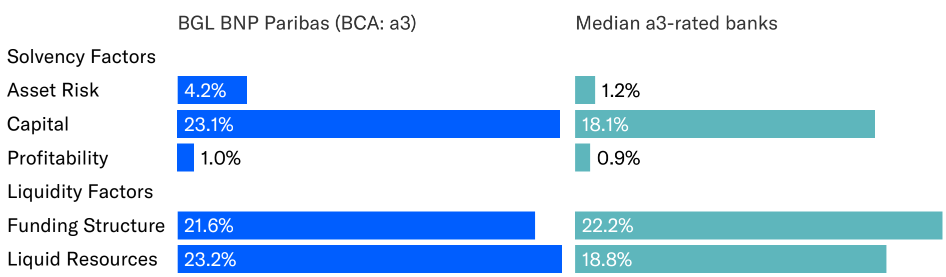
Update following the downgrade of senior unsecured debt ratings to A3, outlook remains stable

Summary

BGL BNP Paribas' (BGL)'s long-term deposit and senior unsecured debt ratings of A1 and A3 (a downgrade from A2 previously), respectively, reflect our Loss Given Failure (LGF) analysis and government support. Loss given failure is low for BGL's deposits and high for its senior unsecured debt, resulting in an uplift of one and minus one notch above the BCA, respectively. The uplift stemming from the support of the Government of Luxembourg (Aaa) is limited to one notch for both deposits and senior unsecured debt, reflecting a moderate probability of support for a bank which is considered of systemic importance. The downgrade of BGL's senior unsecured debt ratings to A3 from A2 reflects our expectation that these liabilities will be exposed to a higher loss severity as a result of the introduction of depositor preference.

BGL's standalone Baseline Credit Assessment (BCA) of a3 reflects the bank's solid financial fundamentals, notably its strong capital adequacy, solid liquidity and healthy business mix with high and stable profitability metrics for each segment. BGL's BCA also reflects its significant exposure to Luxembourg's real estate market, and its parent's strategy of optimising BGL's structural excess liquidity.

Exhibit 1
Rating Scorecard - Key financial ratios



Source: Moody's Ratings

Credit strengths

» BGL has higher profitability than that of its peers.

» Its strong capitalisation provides the bank with a comfortable buffer against unexpected losses.

» BGL's liquidity profile is intrinsically strong, but hinges on the parent's decision on asset allocation within the group.

Credit challenges

» The bank has significant real estate exposures in Luxembourg.

» Its parent company makes use of BGL's structural excess liquidity to fund some group activities (for example, leasing).

Rating outlook

» The stable outlook on BGL's deposits ratings reflects our expectation that the loss severity for these liabilities will not change materially and that the financial profile of the bank will remain broadly stable over the outlook horizon.

» The stable outlook on BGL's senior unsecured debt and issuer ratings reflects our expectation that the increased loss severity for these liabilities will not change materially and that the financial profile of the bank will remain broadly stable over the outlook horizon.

Factors that could lead to an upgrade

» BGL's BCA of a3 is one notch above that of its parent BNP Paribas (BNPP, A1 stable, baa1) and is therefore unlikely to move up without any improvement in BNPP's own BCA, given the interlinks between the parent and its Luxembourg subsidiary. In such a scenario BGL's BCA could be upgraded in case of a strengthening of its own asset quality and/or an improvement in its profitability.

» BGL's long-term deposit ratings could be upgraded if the amount of deposits from corporates were to increase or if they benefitted from the protection of a larger amount of subordinated debt. BGL's long-term senior unsecured rating could also be upgraded as a result of increased unsecured debt in the bank's overall liability structure, and in case of greater subordination.

Factors that could lead to a downgrade

» BGL's BCA of a3 could be downgraded if there were a significant increase in the bank's problem loans or a material reduction in capital and liquidity buffers. A lower BCA at BGL or BNPP would likely result in a downgrade of all the ratings.

» BGL's long-term deposit ratings could be downgraded as a result of an increase in loss given failure, in case of a significant change in the bank's liability structure implying a material reduction in the volumes of deposits or a substantial reduction in the amount of debt subordinated to deposits. It could also reflect a lower probability of government support.

Key indicators

Exhibit 2
BGL BNP Paribas (Consolidated Financials) [1]

	12-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	CAGR/Avg. [3]
Total Assets (EUR Million)	64,599.1	63,072.0	62,622.7	61,237.7	62,062.4	1.0 [4]
Total Assets (USD Million)	75,868.6	65,310.9	69,176.5	65,355.8	70,323.3	1.9 [4]
Tangible Common Equity (EUR Million)	7,767.4	7,639.5	7,524.4	7,225.6	7,005.1	2.6 [4]
Tangible Common Equity (USD Million)	9,122.4	7,910.7	8,311.9	7,711.5	7,937.5	3.5 [4]
Problem Loans / Gross Loans (%)	4.2	3.7	2.6	2.4	2.5	3.1 [5]
Tangible Common Equity / Risk Weighted Assets (%)	23.1	25.9	27.1	26.1	25.6	25.6 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	18.8	17.1	12.4	11.6	12.1	14.4 [5]
Net Interest Margin (%)	2.7	2.6	2.5	2.3	2.2	2.5 [5]
PPI / Average RWA (%)	3.4	3.6	3.3	3.0	3.0	3.3 [6]
Net Income / Tangible Assets (%)	1.1	1.1	1.0	0.8	0.9	1.0 [5]
Cost / Income Ratio (%)	45.9	47.2	49.6	50.6	50.4	48.7 [5]
Gross Loans / Due to Customers (%)	97.2	106.5	107.1	104.1	103.2	103.6 [5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	23.2	24.1	--	--	--	--
Less-stable Funds (LCR) / Tangible Banking Assets (%)	21.6	22.3	--	--	--	--

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities Sources: Moody's Ratings and company filings

Profile

BGL BNP Paribas (BGL) is a Luxembourg-based full-service bank that offers a broad range of banking and financial services. It provides retail customers, small and medium-sized enterprises (SMEs), large companies and institutional clients with retail, commercial, investment and private banking, as well as leasing and wealth management services.

The bank was established as Banque Générale du Luxembourg (BGL) in 1919 by Société Générale de Belgique in collaboration with various Luxembourg and Belgian partners. In 1998, the bank became part of Fortis Group. In May 2009, BNPP acquired 66% of the bank's share capital, which it holds both directly and indirectly, through BNP Paribas Fortis SA/NV (BNPPF, A2 stable, baa1[1]). The State of Luxembourg owns the remaining 34% stake.

In March 2012, BGL increased its participation in BNP Paribas Leasing Solutions SA, the Luxembourg holding company for BNPP's leasing activities in Europe, to 50% plus one share. As a result, in 2012, BGL started consolidating these operations under the full consolidation method.

Detailed credit considerations

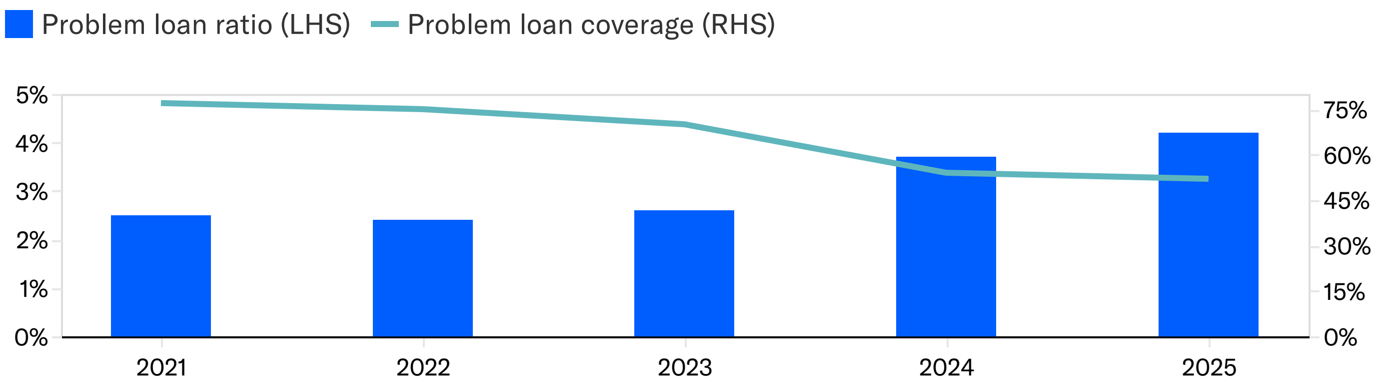
Gradual asset quality pressure from real estate and leasing portfolios

We assign a baa1 asset risk score that reflects our Problem Loans to Gross Loans ratio of 4.2%, which we consider to be moderate, and is adjusted for the bank's high exposure to the Luxembourg real estate market.

The majority of BGL's stage 3 loans stem from the consolidation of BNP Paribas' leasing activities, while its retail and corporate banking activities in Luxembourg have traditionally resulted in low problem loans, reflecting the strength of the domestic economy. Nonetheless, BGL is exposed to risks associated with the Luxembourg real estate market, including residential mortgages, commercial real estate and real estate developers.

In 2025, the bank's cost of risk increased to 45 basis points (bps) of gross customer loans from 36 bps in 2024, due to a limited number of individual files linked to real estate developers. Viewing the lack of rebound in real estate projects, lending volumes and property prices, we expect the recent increase in cost of risk linked to the real estate sector to be sustained in the coming quarters. The consolidated international leasing operations did not record any material deterioration of asset quality with a cost of risk of 63 bps in 2025 against 59 bps in 2024.

Exhibit 3
Asset quality has weakened as problem loans rose and loan-loss coverage diminished



Source: Moody's Ratings

Strong capitalisation albeit dependent on parent's strategic capital allocation

We assign a score of aa2 for capital, reflecting our Tangible Common Equity to Risk Weighted Assets ratio of 23.1%, which we consider to be very strong and is adjusted for the dependence on BNPP's capital allocation policy.

As of December 2025, BGL's common equity tier 1 (CET1) ratio was 20.6%, down from 23.0% at year-end 2024, reflecting the implementation of the CRR3 framework, well above the 13.26% minimum regulatory requirement including a 0.76% countercyclical buffer. In our opinion, BNPP is unlikely to seek a transfer of large amounts of capital from BGL or transfer assets to BGL for capital allocation optimisation in the coming quarters, primarily because of the material 34% share of the State of Luxembourg in BGL. The bank distributed €314 million in dividends in 2025, representing 47% of its consolidated net income.

Moderate profitability with strengthening earnings momentum

We assign a baa1 score for profitability that reflects our Net Income to Tangible Asset ratio of 1.0%, which we consider to be relatively strong.

Leasing activities continue to boost the bank's profitability, accounting for 41% of the bank's pretax profit in 2025 (BGL only owns 50% of BNP Paribas Leasing Solutions SA, therefore a material portion of net income is attributable to minority interests, €157.2 million in 2025). Total outstanding leasing exposure amounted to €23.1 billion at end-December 2025, or 36% of the bank's total assets.

The bank's results improved in 2025 (net profit group share increased by 8% to €514.5 million), largely due to the increase in net banking income with stable operating expense. Net interest income (84% of gross income in 2025) increased by 6% in 2025, driven by the higher rates environment. Net commissions represented 11% of the bank's gross income, up 4% in 2025, driven by leasing activities. Operating expenses increased by 2%, mainly due to an increase in staff expenses (+2% in 2024) while other operating expenses remained stable overall.

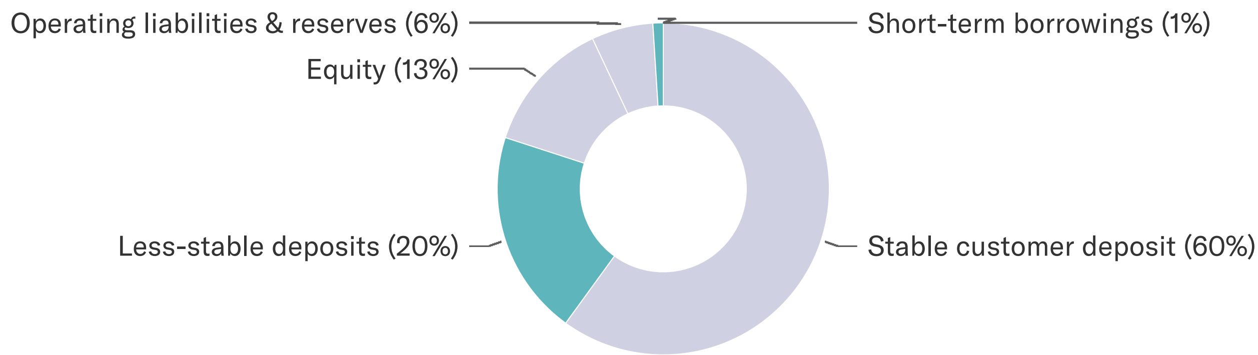
The cost-to-income ratio stood at 45.9% in 2025, slightly improving from 47.2% in 2024. The bank's efficiency is stronger than those of domestic peers, in part because of the integration of BNP Paribas's European leasing activities and its sizable customer deposit base, which generated high margins in 2025. We expect further benefits from high interest rates, especially given the bank's sizable customer deposit base and the importance of loans with a variable rate, which will be partly offset by the pressure on margins stemming from the highly competitive retail banking environment in Luxembourg and the somewhat rigid operating costs.

Predominantly deposit-funded balance sheet

We assign a score of baa1 for funding structure that reflects our Less Stable Funds to Tangible Banking Assets ratio of 21.6%, which we consider to be strong and is adjusted for deposit quality and funding concentration in view of the bank's large private banking activity.

BGL BNP Paribas' funding relies predominantly on deposits. It is supported by a diversified and granular customer deposit franchise across retail banking, private banking and corporate banking activities in Luxembourg. Deposits constitute around 62% of BGL's total assets as of December 2025. The structural excess deposit funding provided by BGL's banking activities is partially recycled by BNPP to fund the development of its international leasing businesses. The bank's loan-to-deposit ratio amounted to 97% as of December-end 2025, a ratio distorted by the consolidation of the leasing activities.

Exhibit 4
Funding mix composition

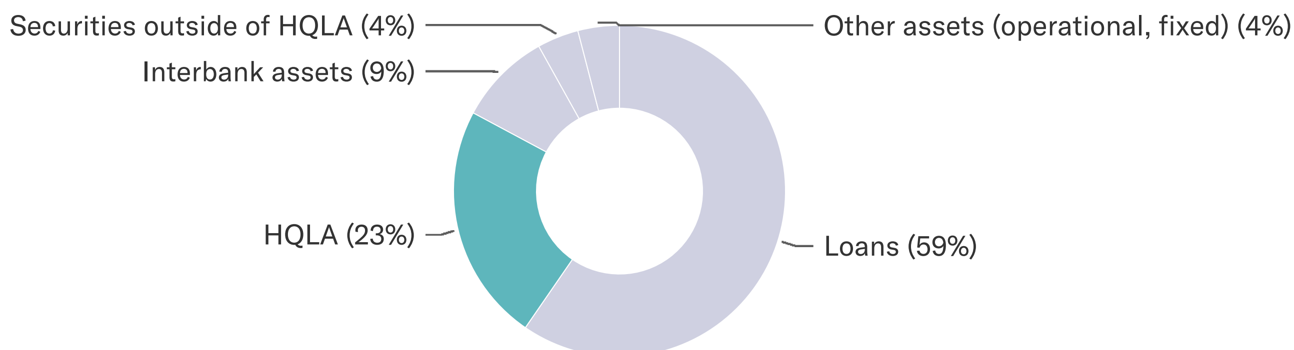


Source: Moody's Ratings

Strong core liquidity

We assign a score of a3 for liquid resources that reflects our Core Banking Liquidity to Tangible Banking Assets ratio of 24.1%, which we consider to be strong. As of December 2025, BGL had strong liquidity with €14.9 billion of high-quality liquid assets, which resulted in a Liquidity Coverage Ratio (LCR) of 121%.

Exhibit 5
Asset composition



Source: Moody's Ratings

Weighted Macro Profile of Strong +

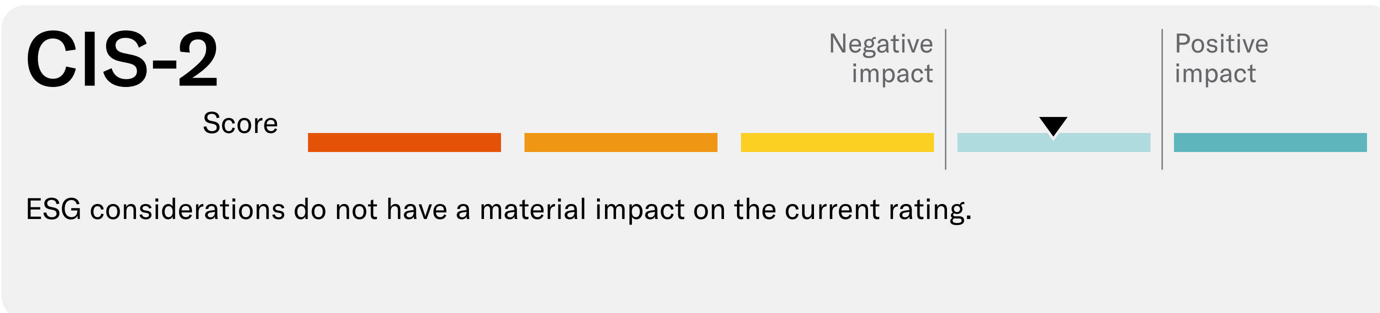
We assign a Strong + Macro Profile to BGL, reflecting its large exposure to home market Luxembourg (41%), other operations in France (12%), Belgium (9%), Italy(8%), Germany (7%), EU (11%), United Kingdom (6%) and Worldwide (4%).

Luxembourg's Very Strong - macro profile reflects the sovereign's significant wealth levels, strong public debt metrics and sound institutional framework. Luxembourg's ability to attract and retain foreign investors and a highly qualified workforce, and to encourage innovation and growth in the financial and other services sectors, has helped it maintain very high income levels. Luxembourg's track record of fiscal discipline, which we expect to result in public debt levels of only 28% of GDP by year-end 2028, supports our assessment of a Very Strong - macro profile. We expect Luxembourg's credit profile to remain resilient to the economic challenges that many European countries are facing, with a GDP growth of 1.7% in 2026 and 2.1% in 2027, up from the estimated 1.0% in 2025.

ESG considerations

BGL BNP Paribas' ESG credit impact score is CIS-2

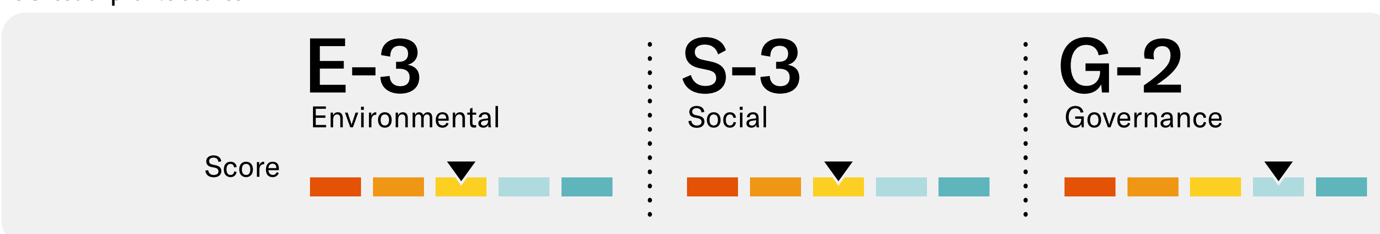
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

BGL's **CIS-2** indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental
BGL faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risks as a diversified bank. In line with its peers, BGL is facing mounting business risks and stakeholders' pressure to meet more demanding carbon transition targets. In response, BGL is engaging in further developing its climate risk management framework and carbon transition strategy.

Social
BGL faces moderate social risks mainly related to customer relations as well as to demographic and societal trends. The bank's developed policies and procedures to mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as appropriate culture and governance that ensure adherence to regulatory standards, help to manage high cyber and personal data risks. BGL operates in Luxembourg, which faces challenges from adverse demographic trends affecting long-term economic growth prospects and impacting the demand for certain banking products. Product diversity as well as an ability to adapt to consumer preferences, regulatory changes and societal trends such as digitization are key to address these risks.

Governance
BGL faces low governance risks, and its risk management, policies and procedures are in line with industry practices. BGL is controlled and integrated into BNP Paribas banking group through its 66% ownership (both directly and indirectly through BNPPF), with the remaining 34% capital in hands of the Luxembourg state. The shareholding structure is reflected in the composition of the board of

directors, with a majority parent representation and a limited number of independent members. Luxembourg's developed institutional framework mitigates associated governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

BGL's Adjusted BCA is at the same level as its BCA, as it does not benefit from any parental support uplift because BNPP's current BCA of baa1 is lower than BGL's BCA of a3.

Loss Given Failure analysis

BGL is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an Operational Resolution Regime. Thus, we apply our advanced LGF analysis, using our standard assumptions. Our Advanced LGF analysis reflects that full depositor preference over senior debt creditors will be implemented in the EU by early 2028. We consider BGL as a standalone entity when undertaking our LGF analysis.

We assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits (which account for 26% of total deposits) and, a 5% run-off in preferred deposits, and assign a 100% probability to deposits being preferred to senior unsecured debt. These are in line with our standard assumptions.

Our LGF analysis indicates that BGL's deposits are likely to face low loss given failure, resulting in a one-notch uplift from its Adjusted BCA. For senior unsecured debt, our LGF analysis indicates that BGL likely to face a high loss given failure, which results in a one-notch adjustmentbelow the Adjusted BCA.

As regards subordinated securities, our LGF analysis indicates a high loss given failure, leading to a one-notch adjustment below the Adjusted BCA.

Government support considerations

Although BGL is subject to the BRRD, it is considered a systemic bank by the local authorities and we thus consider the probability of government support to be moderate, resulting in an additional one-notch uplift for BGL's both deposit and senior unsecured ratings.

For subordinated securities, the likelihood of government support is low and this rating does not include any uplift.

About Moody's bank scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by unadjusted accounting data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 8

Rating Factors

Macro Factors		
Weighted Macro Profile	**Strong +**	**100%**

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	4.2%	baa1	↔	baa1	Expected trend	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	23.1%	aa2	↔	aa2	Access to capital	Expected trend
Profitability						
Net Income / Tangible Assets	1.0%	a3	↔	baa1	Expected Trend	
Combined Solvency Score		a2		a2		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	21.6%	a2	↔	baa1	Deposit quality	Funding concentration
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	23.2%	a2	↔	a3	Expected trend	
Combined Liquidity Score		a2		baa1		
Financial Profile		a2		a3		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				0		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure
Other liabilities	22,439	34.9%	26,512	41.2%
Deposits	39,936	62.1%	35,862	55.8%
Preferred deposits	29,552	46.0%	28,075	43.7%
Junior deposits	10,383	16.1%	7,787	12.1%
Equity	1,929	3.0%	1,929	3.0%
Total Tangible Banking Assets	64,304	100.0%	64,304	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	15.1%	15.1%	15.1%	15.1%	3	3	3	3	0	aa3
Counterparty Risk Assessment	15.1%	15.1%	15.1%	15.1%	3	3	3	3	0	aa3 (cr)
Deposits	15.1%	3.0%	15.1%	3.0%	1	1	1	1	0	a2
Senior unsecured bank debt	15.1%	3.0%	3.0%	3.0%	1	-1	0	-1	0	baa1
Dated subordinated bank debt	3.0%	3.0%	3.0%	3.0%	-1	-1	-1	-1	0	baa1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	1	Aa2	Aa2
Counterparty Risk Assessment	3	0	aa3 (cr)	1	Aa2(cr)	
Deposits	1	0	a2	1	A1	A1
Senior unsecured bank debt	-1	0	baa1	1	A3	A3
Dated subordinated bank debt	-1	0	baa1	0	Baa1	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 9

Category	Moody's Rating
BGL BNP PARIBAS	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	A3
Senior Unsecured	A3
Subordinate -Dom Curr	Baa1
Commercial Paper	P-2
ULT PARENT: BNP PARIBAS	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Junior Senior Unsecured	Baa1
Junior Senior Unsecured MTN	(P)Baa1
Subordinate	Baa2
Pref. Stock Non-cumulative	Ba1 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Ratings

Endnotes

1 The bank ratings shown in this report are the bank's deposit rating and Baseline Credit Assessment.

REPORT NUMBER 1481795

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454