BNP PARIBAS

THIRD AMENDMENT TO THE 2020 UNIVERSAL REGISTRATION DOCUMENT,

FILED WITH THE FCA ON 20 APRIL 2022

Universal Registration document, annual financial report 2020 and first quarter 2021 results filed with the Financial Conduct Authority ("**FCA**") on 18 June 2021.
First amendment to Universal Registration document, annual financial report 2020 and second quarter 2021 results filed with the FCA on 24 September 2021.
Second amendment to Universal Registration document, third quarter 2021 results filed with the FCA on 30 December 2021.

Société anonyme (Public Limited Company) with capital of 2,499,597,122 euros
Head office: 16 boulevard des Italiens, 75 009 PARIS
R.C.S.: PARIS 662 042 449

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The third amendment to the 2020 Universal Registration Document has been approved by the FCA on 20 April 2022 as competent authority pursuant to Article 9 of the UK Prospectus Regulation. "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 of 14 June 2017 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") and regulations made thereunder.

The universal registration document may be used for the purposes of an offer to the public of securities in the United Kingdom if approved by the FCA together with any amendments, if applicable, and a securities note and summary approved in accordance with the UK Prospectus Regulation.

The 2020 Universal Registration Document (as supplemented) may form part of a prospectus of the Issuer consisting of separate documents within the meaning of the UK Prospectus Regulation.

1. 2021 BNPP UNAUDITED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2021

Unaudited figures

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CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2021 and 31 December 2020. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for the year ended 31 December 2019 are provided in the Universal Registration Document filed with the Autorité des Marchés Financiers on 12 March 2021 under number D.21-0114.

On 18 December 2021, the Group concluded an agreement with BMO Financial Group for the sale of 100% of its retail and commercial banking activities in the United States operated by the BancWest cash-generating unit. The terms of this transaction fall within the scope of application of IFRS 5 relating to groups of assets and liabilities held for sale (see note 7.d *Discontinued activities*) leading to the restatement of the year to 31 December 2020 to isolate the "Net income from discontinued activities" on a separate line. A similar reclassification is made in the statement of net income and changes in assets and liabilities recognised directly in equity and in the cash flow statement. The effect of this reclassification on the aggregates of the profit and loss statement is presented in note 3. *Segment Information.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

In millions of euros	Notes	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
Interest income	2.a	29,518	31,169
Interest expense	2.a	(10,280)	(11,883)
Commission income	2.b	15,037	13,304
Commission expense	2.b	(4,675)	(3,725)
Net gain on financial instruments at fair value through profit or loss	2.c	7,615	6,750
Net gain on financial instruments at fair value through equity	2.d	164	202
Net gain on derecognised financial assets at amortised cost		(2)	36
Net income from insurance activities	2.e	4,332	4,114
Income from other activities	2.f	15,482	13,167
Expense on other activities	2.f	(13,429)	(11,355)
REVENUES FROM CONTINUING ACTIVITIES		**43,762**	**41,779**
Salary and employee benefit expense	6.a	(16,417)	(15,942)
Other operating expenses	2.g	(10,705)	(10,301)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4.n	(2,344)	(2,262)
GROSS OPERATING INCOME FROM CONTINUING ACTIVITIES		**14,296**	**13,274**
Cost of risk	2.h	(2,971)	(5,395)
OPERATING INCOME FROM CONTINUING ACTIVITIES		**11,325**	**7,879**
Share of earnings of equity-method entities	4.m	494	423
Net gain on non-current assets	2.i	834	1,030
Goodwill	4.o	91	5
PRE-TAX INCOME FROM CONTINUING ACTIVITIES		**12,744**	**9,337**
Corporate income tax from continuing activities	2.j	(3,584)	(2,301)
NET INCOME FROM CONTINUING ACTIVITIES		**9,160**	**7,036**
Net income from discontinued activities	7.d	720	379
NET INCOME		**9,880**	**7,415**
Net income attributable to minority interests		392	348
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**9,488**	**7,067**
Basic earnings per share	7.a	7.26	5.31
Diluted earnings per share	7.a	7.26	5.31

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STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Net income for the period	**9,880**	**7,415**
Changes in assets and liabilities recognised directly in equity	**712**	**(2,599)**
Items that are or may be reclassified to profit or loss	**26**	**(2,477)**
- Changes in exchange differences	481	(2,358)
- Changes in fair value of financial assets at fair value through equity		
Changes in fair value recognised in equity	*(379)*	*450*
Changes in fair value reported in net income	*(115)*	*(93)*
- Changes in fair value of investments of insurance activities		
Changes in fair value recognised in equity	*(387)*	*-*
Changes in fair value reported in net income	*(191)*	*(35)*
- Changes in fair value of hedging instruments		
Changes in fair value recognised in equity	*(620)*	*535*
Changes in fair value reported in net income	*(31)*	*(38)*
- Income tax	402	(170)
- Changes in equity-method investments, after tax	295	(110)
- Changes in discontinued activities, after tax	571	(658)
Items that will not be reclassified to profit or loss	**686**	**(122)**
- Changes in fair value of equity instruments designated as at fair value through equity	413	89
- Debt remeasurement effect arising from BNP Paribas Group issuer risk	25	(193)
- Remeasurement gains (losses) related to post-employment benefit plans	347	(24)
- Income tax	(125)	3
- Changes in equity-method investments, after tax	17	(18)
- Changes in discontinued activities, after tax	9	21
Total	**10,592**	**4,816**
- Attributable to equity shareholders	10,200	4,508
- Attributable to minority interests	392	308

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BALANCE SHEET AT 31 DECEMBER 2021

In millions of euros	Notes	31 December 2021	31 December 2020
ASSETS			
Cash and balances at central banks		347,883	308,703
Financial instruments at fair value through profit or loss			
Securities	4.a	191,507	167,927
Loans and repurchase agreements	4.a	249,808	244,878
Derivative financial instruments	4.a	240,423	276,779
Derivatives used for hedging purposes	4.b	8,680	15,600
Financial assets at fair value through equity			
Debt securities	4.c	38,906	55,981
Equity securities	4.c	2,558	2,209
Financial assets at amortised cost			
Loans and advances to credit institutions	4.e	21,751	18,982
Loans and advances to customers	4.e	814,000	809,533
Debt securities	4.e	108,510	118,316
Remeasurement adjustment on interest-rate risk hedged portfolios		3,005	5,477
Financial investments of insurance activities	4.i	280,766	265,356
Current and deferred tax assets	4.k	5,866	6,559
Accrued income and other assets	4.l	179,123	140,904
Equity-method investments	4.m	6,528	6,396
Property, plant and equipment and investment property	4.n	35,083	33,499
Intangible assets	4.n	3,659	3,899
Goodwill	4.o	5,121	7,493
Assets held for sale	7.d	91,267	-
TOTAL ASSETS		**2,634,444**	**2,488,491**
LIABILITIES			
Deposits from central banks		1,244	1,594
Financial instruments at fair value through profit or loss			
Securities	4.a	112,338	94,263
Deposits and repurchase agreements	4.a	293,456	288,595
Issued debt securities	4.a	70,383	64,048
Derivative financial instruments	4.a	237,397	282,608
Derivatives used for hedging purposes	4.b	10,076	13,320
Financial liabilities at amortised cost			
Deposits from credit institutions	4.g	165,699	147,657
Deposits from customers	4.g	957,684	940,991
Debt securities	4.h	149,723	148,303
Subordinated debt	4.h	24,720	22,474
Remeasurement adjustment on interest-rate risk hedged portfolios		1,367	6,153
Current and deferred tax liabilities	4.k	3,103	3,001
Accrued expenses and other liabilities	4.l	145,399	107,846
Technical reserves and other insurance liabilities	4.j	254,795	240,741
Provisions for contingencies and charges	4.p	10,187	9,548
Liabilities associated with assets held for sale	7.d	74,366	-
TOTAL LIABILITIES		**2,511,937**	**2,371,142**
EQUITY			
Share capital, additional paid-in capital and retained earnings		*108,176*	*106,228*
Net income for the period attributable to shareholders		*9,488*	*7,067*
Total capital, retained earnings and net income for the period attributable to shareholders		**117,664**	**113,295**
Changes in assets and liabilities recognised directly in equity		222	(496)
Shareholders' equity		**117,886**	**112,799**
Minority interests	7.f	**4,621**	**4,550**
TOTAL EQUITY		**122,507**	**117,349**
TOTAL LIABILITIES AND EQUITY		**2,634,444**	**2,488,491**

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

In millions of euros	Notes	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
Pre-tax income from continuing activities		**12,744**	**9,337**
Pre-tax income from discontinued activities		**893**	**485**
Non-monetary items included in pre-tax net income and other adjustments		**26,336**	**5,741**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		6,781	6,325
Impairment of goodwill and other non-current assets		22	24
Net addition to provisions		13,150	6,971
Share of earnings of equity-method entities		(494)	(423)
Net (income) from investing activities		(923)	(1,034)
Net (income) from financing activities		(1,105)	(2,470)
Other movements		8,905	(3,652)
Net increase related to assets and liabilities generated by operating activities		**2,403**	**123,761**
Net increase related to transactions with customers and credit institutions		39,029	152,167
Net decrease related to transactions involving other financial assets and liabilities		(24,497)	(18,050)
Net decrease related to transactions involving non-financial assets and liabilities		(9,773)	(7,767)
Taxes paid		(2,356)	(2,589)
NET INCREASE IN CASH AND CASH EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**42,376**	**139,324**
Net increase (decrease) related to acquisitions and disposals of consolidated entities		482	(78)
Net decrease related to property, plant and equipment and intangible assets		(1,664)	(773)
NET DECREASE IN CASH AND CASH EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**(1,182)**	**(851)**
(Decrease) increase in cash and cash equivalents related to transactions with shareholders		(5,699)	773
Increase in cash and cash equivalents generated by other financing activities		20,215	17,751
NET INCREASE IN CASH AND CASH EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**14,516**	**18,524**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**107**	**(2,614)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**55,817**	**154,383**
of which net increase in cash and cash equivalents from discontinued activities	7.d	**10,739**	**2,192**
Balance of cash and cash equivalent accounts at the start of the period		**306,601**	**152,218**
Cash and amounts due from central banks		308,721	155,151
Due to central banks		(1,594)	(2,985)
On demand deposits with credit institutions		8,380	8,972
On demand loans from credit institutions	4.g	(8,995)	(9,072)
Deduction of receivables and accrued interest on cash and cash equivalents		89	152
Balance of cash and cash equivalent accounts at the end of the period		**362,418**	**306,601**
Cash and amounts due from central banks		347,901	308,721
Due to central banks		(1,244)	(1,594)
On demand deposits with credit institutions		10,156	8,380
On demand loans from credit institutions	4.g	(9,105)	(8,995)
Deduction of receivables and accrued interest on cash and cash equivalents		156	89
Cash and cash equivalent accounts classified as "Assets held for sale"		14,554	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**55,817**	**154,383**

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital and retained earnings				Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss				
In millions of euros	Share capital and additional paid-in-capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Financial assets designated as at fair value through equity	Own-credit valuation adjustment of debt securities designated as at fair value through profit or loss	Remeasurement gains (losses) related to post-employment benefits plans	Discontinued activities	Total
Capital and retained earnings at 1 January 2020	**27,070**	**8,689**	**69,549**	**105,308**	**511**	**(163)**	**160**		**508**
Appropriation of net income for 2019				-					-
Increases in capital and issues		1,609	(2)	1,607					-
Reduction or redemption of capital		(335)	(5)	(340)					-
Movements in own equity instruments	(17)	(15)	40	8					-
Remuneration on preferred shares and undated super subordinated notes			(426)	(426)					-
Movements in consolidation scope impacting minority shareholders (note 7.f)				-					-
Acquisitions of additional interests or partial sales of interests (note 7.f)			(1)	(1)					-
Change in commitments to repurchase minority shareholders' interests			(8)	(8)					-
Other movements			(2)	(2)					-
Realised gains or losses reclassified to retained earnings			82	82	(84)	2			(82)
Changes in assets and liabilities recognised directly in equity				-	34	(142)	(6)		(114)
Net income for 31 December 2020			**7,067**	**7,067**					-
Capital and retained earnings at 31 December 2020	**27,053**	**9,948**	**76,294**	**113,295**	**461**	**(303)**	**154**		**312**
Retrospective application of the change in method related to social commitments (note 6.b)			74	74					-
Appropriation of net income for 2020			**(3,323)**	**(3,323)**					-
Increases in capital and issues		1,026	(1)	1,025					-
Reduction or redemption of capital	(897)	(1,768)	(26)	(2,691)					-
Movements in own equity instruments	191	1	18	210					-
Remuneration on preferred shares and undated super subordinated notes			(412)	(412)					-
Movements in consolidation scope impacting minority shareholders (note 7.f)				-					-
Acquisitions of additional interests or partial sales of interests (note 7.f)			8	8					-
Change in commitments to repurchase minority shareholders' interests			5	5					-
Other movements			(9)	(9)					-
Realised gains or losses reclassified to retained			(6)	(6)	(11)	17			6
Changes in assets and liabilities recognised directly in equity				-	390	19	270		679
Net income for 31 December 2021			**9,488**	**9,488**					-
Reclassification of discontinued activities				-			125	(125)	-
Capital and retained earnings at 31 December 2021	**26,347**	**9,207**	**82,110**	**117,664**	**840**	**(267)**	**549**	**(125)**	**997**

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BETWEEN 1 JANUARY 2020 AND 31 DECEMBER 2021

Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss						Total shareholders' equity	Minority interests *(note 7.f)*	Total equity
Exchange differences	Financial assets at fair value through equity	Financial investments of insurance activities	Derivatives used for hedging purposes	Discontinued activities	Total			
(1,902)	**241**	**2,238**	**1,060**		**1,637**	**107,453**	**4,392**	**111,845**
					-	-	**(84)**	**(84)**
					-	1,607		1,607
					-	(340)		(340)
					-	8		8
					-	(426)	(1)	(427)
					-	-	5	5
					-	(1)	1	-
					-	(8)	(69)	(77)
					-	(2)	(2)	(4)
					-	-		-
(3,131)	316	(4)	374		(2,445)	(2,559)	(40)	(2,599)
					-	**7,067**	**348**	**7,415**
(5,033)	**557**	**2,234**	**1,434**		**(808)**	**112,799**	**4,550**	**117,349**
					-	74		74
					-	**(3,323)**	**(221)**	**(3,544)**
					-	1,025	10	1,035
					-	(2,691)	(73)	(2,764)
					-	210		210
					-	(412)		(412)
					-	-	(139)	(139)
					-	8	55	63
					-	5	38	43
					-	(9)	9	-
					-	-		-
1,385	(476)	(423)	(453)		33	712		712
					-	**9,488**	**392**	**9,880**
(687)	41		38	608	-	-		-
(4,335)	**122**	**1,811**	**1,019**	**608**	**(775)**	**117,886**	**4,621**	**122,507**

NOTES TO THE FINANCIAL STATEMENTS
Prepared in accordance with IFRS as adopted by the European Union

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a ACCOUNTING STANDARDS

1.a.1 APPLICABLE ACCOUNTING STANDARDS

The coronavirus outbreak characterised by the World Health Organisation as a pandemic on 11 March 2020 as well as measures introduced by governments and regulators to tackle the outbreak have affected the global supply chain as well as demand for goods and services and therefore had a significant impact on the global growth. At the same time, fiscal and monetary policies have been eased to sustain the economy.

The consolidated financial statements of BNP Paribas have been prepared on a going concern basis. The impacts of the coronavirus pandemic, mitigated by all countercyclical measures such as government and financial support to customers, mainly relate to expected credit losses and asset valuation. These impacts were estimated against a background of uncertainty about the magnitude of the impact of the outbreak on local and global economies.

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union[1]. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 "Financial Instruments: Disclosures" and to insurance contracts as required by IFRS 4 "Insurance Contracts", along with information on regulatory capital required by IAS 1 "Presentation of Financial Statements" will be presented in chapter 5 of the Universal Registration Document. This information is an integral part of the notes to the consolidated financial statements of the BNP Paribas Group as at 31 December 2021. Section 4 of chapter 5, paragraph *Exposures, provisions and cost of risk* provides, in particular, IFRS 7 information on credit risk exposures and related impairment broken down according to whether the underlying loans are performing or non-performing status, by geographic area and by industry, as well as details of loans and advances subject to moratoria or to public guarantee schemes in response to the health crisis.

- In relation to the IBOR and Eonia rates reform, at the end of 2018 the Group launched a global programme, involving all business lines and functions. The aim of the programme is to manage and implement the transition from the old benchmark interest rates to the new ones in major jurisdictions and currencies (euro, pound sterling, US dollar, Swiss franc and Japanese yen), while reducing the risks associated with this transition and meeting the deadlines set by the competent authorities. The Group contributed to market-wide workshops with central banks and financial regulators.

[1] The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

The announcements by public authorities in the United Kingdom and the United States and by the Libor administrator (ICE BA) at the end of November 2020 changed the transition period, which was initially scheduled to be completed by the end of 2021. For the GBP and JPY Libor, synthetic Libor will be published beyond the end of 2021 for use in certain contracts known as "tough legacy" contracts, i.e., contracts that have not switched from Libor to a replacement index. In the United States, the decision was taken to continue publishing the USD Libor until mid-2023, as a legislative solution is being sought for some asset classes, including floating-rate bonds.

For contracts referencing the CHF Libor which cannot be renegotiated before it is phased out at the end of 2021, the European Commission has provided a legislative solution replacing this rate with a daily capitalised SARON (Swiss Average Rate Overnight) rate, plus a spread aimed at ensuring the economic neutrality of this change.

In Europe, the Eonia-€STR transition, which is purely technical given the fixed link between these two indices, was finalised at the end of December 2021 while the maintenance of Euribor on a sine die basis was confirmed.

Based on the progress made in 2020 and 2021, notably with the definition of a detailed plan and its execution, the Bank is confident in its operational capacity to manage the transition process of large volumes of transactions to the new benchmark rates.

The reform of IBOR rates exposes the Bank to various risks that the programme aims to manage closely, including in particular:

- change management risks, but also litigation and conduct risks linked to negotiations with customers and market counterparties to amend existing contracts;
- operational risks related to changes in the Bank's IT systems and processes;
- economic risks in case of financial market disturbances linked to the various transitions induced by the IBOR reform;
- valuation risks in a scenario of reduced liquidity during the transition in certain derivative market segments.

In September 2019, the IASB published "Phase 1" amendments to IAS 39 and IFRS 7, amending the hedge accounting requirements so that hedges affected by the benchmark interest rate reform can continue despite the uncertainty during the transition of the hedged items or hedging instruments to the reformed benchmark rates. These amendments, endorsed by the European Commission on 15 January 2020, have been applied by the Group since 31 December 2019.

In August 2020, the IASB published "Phase 2" amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 introducing several changes applicable during the effective transition to the new benchmark interest rates. These amendments allow for changes in the contractual cash flows of financial instruments resulting from the IBOR rates reform to be treated as a simple reset of their variable interest rate, provided, however, that such changes are made on an economically equivalent basis. They also allow the continuation of hedging relationships, subject to amendments to their documentation to reflect changes in hedged instruments, hedging instruments, hedged risk, and/or the method for measuring effectiveness during the transition to the new benchmark rates. The measures introduced in this framework also include:

- the possibility of documenting an interest rate as a hedged risk component even if this rate is not immediately separately identifiable, provided that it can reasonably be expected to become so within 24 months;
- the possibility of resetting cumulative fair value changes to zero in the hedge ineffectiveness test;
- and the obligation in the framework of portfolio hedges to isolate in subgroups instruments referring to the new risk-free rates (RFR).

These amendments, adopted by the European Commission in December 2020, have been applied by the Group since 31 December 2020 to maintain its existing hedging relationships which have been modified as a result of the transition to the new RFRs.

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The Group has documented hedging relationships in respect of the benchmark interest rates in the scope of the reform, mainly Eonia, Euribor, and Libor. For these hedging relationships, the hedged items and hedging instruments will be progressively amended, where necessary, to incorporate the new rates. The "Phase 1" amendments to IAS 39 and IFRS 7 are applicable when the contractual terms of the hedged instruments or of the hedging instruments have not yet been amended (i.e., with the inclusion of a "fallback" clause), or, if they have been amended, when the terms and the date of the transition to the new benchmark interest rates have not been clearly stipulated. Conversely, the "Phase 2" amendments are applicable when the contractual terms of the hedged instruments or of the hedging instruments have been amended, and the terms and date of transition to the new benchmark interest rates have been clearly stipulated.

The notional amounts of hedging instruments documented in the hedging relationships impacted by the benchmark interest rate reform are presented in note 4.b *Derivative instruments used for hedging purposes.*

- In May 2021, the IFRIC (IFRS Interpretations Committee) issued a proposal for a decision, validated by the International Accounting Standards Board, which modifies the way of calculating the social commitments for certain defined benefit plans such as indemnities payable on retirement. These plans, essentially French, gradually grant entitlement to benefits which will only be paid in the event of effective retirement while applying a cap to the number of years of entitlement. Previously, benefits were recognised on a straight-line basis from the date of joining the company until the effective date of retirement without taking into account the entitlements cap. They are now recognised on a straight-line basis, from the beginning of the acquisition of the rights up to the date of retirement. The resulting adjustment net of tax of EUR 74 million is recognised as at 1 January 2021 as an increase in Equity.

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2021 had no effect on the 2021 financial statements.

The Group did not early adopt any of the new standards, amendments, and interpretations adopted by the European Union, when the application in 2021 was optional.

1.a.2 NEW MAJOR ACCOUNTING STANDARDS, PUBLISHED BUT NOT YET APPLICABLE

IFRS 17 "Insurance Contracts", issued in May 2017 and amended in June 2020, will replace IFRS 4 "Insurance Contracts". It was adopted by the European Union in November 2021, accompanied by an optional exemption from applying the annual cohort requirement on intergenerationally-mutualised contracts. It shall enter into force on a mandatory basis for the years beginning on or after 1 January 2023[2].

An amendment to IFRS 17 relating to the presentation of the IFRS 9/IFRS 17 comparison was also published by the IASB in December 2021 and is still to be approved by the European Union.

The analysis of the standard and the identification of its effects are on-going as part of the implementation project and related control and validation works.

[2] On 25 June 2020, the IASB published "Amendments to IFRS 17" including in particular the deferral of the mandatory initial application of IFRS 17 for two years.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which the Group obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

1.b.2 CONSOLIDATION METHODS

Exclusive control

Controlled enterprises are fully consolidated. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For entities governed by voting rights, the Group generally controls the entity if it holds, directly or indirectly, the majority of the voting rights (and if there are no contractual provisions that alter the power of these voting rights) or if the power to direct the relevant activities of the entity is conferred on it by contractual agreements.

Structured entities are entities established so that they are not governed by voting rights, for instance when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: restricted activities, a narrow and well-defined objective and insufficient equity to permit them to finance their activities without subordinated financial support.

For these entities, the analysis of control shall consider the purpose and design of the entity, the risks to which the entity is designed to be exposed and to what extent the Group absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine the Group's practical ability to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has power, the Group considers only substantive rights which it holds or which are held by third parties. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be made.

Control is reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

Where the Group contractually holds the decision-making power, for instance where the Group acts as fund manager, it shall determine whether it is acting as agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that the Group is acting on its own account and that it thus has control over those entities.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside the Group.

As regards fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, inasmuch as they are redeemable at fair value at the subscriber's initiative.

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Joint control

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity's returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRS.

Significant influence

Companies over which the Group exercises significant influence or associates are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of a company without exercising control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting rights of a company. Interests of less than 20% can be included in the consolidation scope if the Group effectively exercises significant influence. This is the case for example for entities developed in partnership with other associates, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, or exercises influence over the enterprise's operational management by supplying management systems or senior managers, or provides technical assistance to support the enterprise's development.

Changes in the net assets of associates (companies accounted for under the equity method) are recognised on the assets side of the balance sheet under "Investments in equity-method entities" and in the relevant component of shareholders' equity. Goodwill recorded on associates is also included under "Equity-method investments".

Whenever there is an indication of impairment, the carrying amount of the investment consolidated under the equity method (including goodwill) is subjected to an impairment test, by comparing its recoverable value (the higher of value-in-use and market value less costs to sell) to its carrying amount. Where appropriate, impairment is recognised under "Share of earnings of equity-method entities" in the consolidated income statement and can be reversed at a later date.

If the Group's share of losses of an equity-method entity equals or exceeds the carrying amount of its investment in this entity, the Group discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the equity-method entity are provided for only to the extent that the Group has contracted a legal or constructive obligation, or has made payments on behalf of this entity.

Where the Group holds an interest in an associate, directly or indirectly through an entity that is a venture capital organisation, a mutual fund, an open-ended investment company or similar entity such as an investment-related insurance fund, it may elect to measure that interest at fair value through profit or loss.

Realised gains and losses on investments in consolidated undertakings are recognised in the profit and loss account under "Net gain on non-current assets".

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events occurring in similar circumstances.

1.b.3 CONSOLIDATION RULES

- **Elimination of intragroup balances and transactions**

Intragroup balances arising from transactions between consolidated enterprises, and the transactions themselves (including income, expenses and dividends), are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired. Unrealised gains and losses included in the value of financial instruments at fair value through equity and available-for-sale assets are maintained in the consolidated financial statements.

- **Translation of accounts expressed in foreign currencies**

The consolidated financial statements of BNP Paribas are prepared in euros.

The financial statements of enterprises whose functional currency is not the euro are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period.

The same method is applied to the financial statements of enterprises located in hyperinflationary economies, after adjusting for the effects of inflation by applying a general price index.

Differences arising from the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under "Exchange differences", and in "Minority interests" for the portion attributable to outside investors. Under the optional treatment permitted by IFRS 1, the Group has reset to zero all translation differences, by booking all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004 to retained earnings.

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the eurozone, leading to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without keeping a significant influence), the cumulative exchange difference at the date of liquidation or sale, determined according to the step method, is recognised in the profit and loss account.

Should the percentage of interest change without leading to a modification in the nature of the investment, the exchange difference is reallocated between the portion attributable to shareholders and that attributable to minority interests if the entity is fully consolidated; if the entity is consolidated under the equity method, it is recorded in profit or loss for the portion related to the interest sold.

1.b.4 BUSINESS COMBINATION AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

Under this method, the acquiree's identifiable assets and liabilities assumed are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale which are accounted for at fair value less costs to sell.

The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued to obtain control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

Any contingent consideration is included in the cost, as soon as control is obtained, at fair value on the date when control was acquired. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

The Group may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets and liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while negative goodwill is recognised immediately in profit or loss, on the acquisition date. Minority interests are measured at their share of the fair value of the acquiree's identifiable assets and liabilities. However, for each business combination, the Group can elect to measure minority interests at fair value, in which case a proportion of goodwill is allocated to them. To date, the Group has never used this latter option.

Goodwill is recognised in the functional currency of the acquiree and translated at the closing exchange rate.

On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value.

Since the revised IFRS 3 has been applied prospectively, business combinations completed prior to 1 January 2010 were not restated for the effects of changes to IFRS 3.

As permitted under IFRS 1, business combinations that took place before 1 January 2004 and were recorded in accordance with the previously applicable accounting standards (French GAAP), had not been restated in accordance with the principles of IFRS 3.

- **Measurement of goodwill**

The BNP Paribas Group tests goodwill for impairment on a regular basis.

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units[3] representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

Goodwill allocated to cash-generating units is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

[3] As defined by IAS 36.

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit less costs to sell, and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by Group Executive Management, and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

1.c TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by the Group, and to measure the foreign exchange risk arising on such transactions, depend on whether the asset or liability in question is classified as a monetary or a non-monetary item.

- **Monetary assets and liabilities[4] expressed in foreign currencies**

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Foreign exchange differences are recognised in the profit and loss account, except for those arising from financial instruments designated as a cash flow hedge or a net foreign investment hedge, which are recognised in shareholders' equity.

- **Non-monetary assets and liabilities expressed in foreign currencies**

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are translated using the exchange rate at the date of the transaction (i.e., date of initial recognition of the non-monetary asset) if they are measured at historical cost, and at the closing rate if they are measured at fair value.

Foreign exchange differences relating to non-monetary assets denominated in foreign currencies and recognised at fair value (equity instruments) are recognised in profit or loss when the asset is classified in "Financial assets at fair value through profit or loss" and in equity when the asset is classified under "Financial assets at fair value through equity".

1.d NET INTEREST INCOME, COMMISSIONS AND INCOME FROM OTHER ACTIVITIES

1.d.1 NET INTEREST INCOME

Income and expenses relating to debt instruments measured at amortised cost and at fair value through shareholders' equity are recognised in the income statement using the effective interest rate method.

The effective interest rate is the rate that ensures the discounted value of estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, is equal to the carrying amount of the asset or liability in the balance sheet. The effective interest rate measurement takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

Commissions considered as an additional component of interest are included in the effective interest rate and are recognised in the profit and loss account in "Net interest income". This category includes notably commissions on financing commitments when it is considered that the setting up of a loan is more likely than unlikely. Commissions received in respect of financing commitments are deferred until they are drawn and then included in the effective interest rate calculation and amortised over the life of the loan. Syndication commissions are also included in this category for the portion of the commission equivalent to the remuneration of other syndication participants.

[4] Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.
Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

1.d.2 COMMISSIONS AND INCOME FROM OTHER ACTIVITIES

Commissions received with regards to banking and similar services provided (except for those that are integral part of the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts fall within the scope of IFRS 15 "Revenue from Contracts with Customers".

This standard defines a single model for recognising revenue based on five-step principles. These five steps enable to identify the distinct performance obligations included in the contracts and allocate the transaction price among them. The income related to those performance obligations is recognised as revenue when the latter are satisfied, namely when the control of the promised goods or services has been transferred.

The price of a service may contain a variable component. Variable amounts may be recognised in the income statement only if it is highly probable that the amounts recorded will not result in a significant downward adjustment.

Commission

The group records commission income and expense in profit or loss:

- either over time as the service is rendered when the client receives continuous service. These include, for example, certain commissions on transactions with customers when services are rendered on a continuous basis, commissions on financing commitments that are not included in the interest margin, because the probability that they give rise to the drawing up of a loan is low, commissions on financial collateral, clearing commissions on financial instruments, commissions related to trust and similar activities, securities custody fees, *etc.*

  Commissions received under financial guarantee commitments are deemed to represent the initial fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, in Commission income;

- or at a point in time when the service is rendered, in other cases. These include, for example, distribution fees received, loan syndication fees remunerating the arrangement service, advisory fees, *etc.*

Income from other activities

Income from property development as well as income from services provided in connection with lease contracts is recorded under 'income from other activities' in the income statement.

As regards property development income, the group records it in profit or loss:

- over time, when the performance obligation creates or enhances an asset on which the customer obtains control as it is created or enhanced (e.g., work in progress controlled by the client on the land in which the asset is located, *etc.*), or where the service performed does not create an asset that the entity could otherwise use and gives it enforceable right to payment for performance completed to date. This is the case for contracts such as VEFA (sale in the future state of completion) in France.
- at completion in other cases.

Regarding income from services provided in connection with lease contracts, the group records them in profit or loss as the service is rendered, i.e., in proportion to the costs incurred for maintenance contracts.

1.e FINANCIAL ASSETS AND LIABILITIES

Financial assets, except those relating to insurance activities (see note 1.f) are classified at amortised cost, at fair value through shareholders' equity or at fair value through profit or loss depending on the business model and the contractual features of the instruments at initial recognition.

Financial liabilities are classified at amortised cost or at fair value through profit or loss at initial recognition.

Financial assets and liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets made within a period established by the regulations or by a convention in the relevant marketplace are recognised in the balance sheet at the settlement date.

1.e.1 FINANCIAL ASSETS AT AMORTISED COST

Financial assets are classified at amortised cost if the following two criteria are met: the business model objective is to hold the instrument in order to collect the contractual cash flows and the cash flows consist solely of payments relating to principal and interest on the principal.

Business model criterion

Financial assets are managed within a business model whose objective is to hold financial assets in order to collect cash flows through the collection of contractual payments over the life of the instrument.

The realisation of disposals close to the maturity of the instrument and for an amount close to the remaining contractual cash-flows, or due to an increase in the counterparty's credit risk is consistent with a business model whose objective is to collect the contractual cash flows ("collect"). Sales imposed by regulatory requirements or to manage the concentration of credit risk (without an increase in the asset's credit risk) are also consistent with this business model when they are infrequent or insignificant in value.

Cash flow criterion

The cash flow criterion is satisfied if the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely repayments of principal and interest on the principal amount outstanding.

The criterion is not met in the event of a contractual characteristic that exposes the holder to risks or to the volatility of contractual cash flows that are inconsistent with those of a non-structured or "basic lending" arrangement. It is also not satisfied in the event of leverage that increases the variability of the contractual cash flows.

Interest consists of consideration for the time value of money, for the credit risk, and for the remuneration of other risks (e.g. liquidity risk), costs (e.g,. administration fees), and a profit margin consistent with that of a basic lending arrangement. The existence of negative interest does not call into question the cash flow criterion.

The time value of money is the component of interest - usually referred to as the "rate" component - which provides consideration for only the passage of time. The relationship between the interest rate and the passage of time shall not be modified by specific characteristics that would likely call into question the respect of the cash flow criterion.

Thus, when the variable interest rate of the financial asset is periodically reset on a frequency that does not match the duration for which the interest rate is established, the time value of money may be considered as modified and, depending on the significance of that modification, the cash flow criterion may not be met. Some financial assets held by the Group present a mismatch between the interest rate reset frequency and the maturity of the index, or interest rates indexed on an average of benchmark rate. The Group has developed a consistent methodology for analysing this alteration of the time value of money.

Regulated rates meet the cash flow criterion when they provide a consideration that is broadly consistent with the passage of time and does not expose to risks or volatility in the contractual cash flows that would be inconsistent with those of a basic lending arrangement (example: loans granted in the context of *Livret A* savings accounts).

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the prepayment amount substantially represents the principal amount outstanding and the interest thereon, which may include a reasonable compensation for the early termination of the contract. For example, as regards loans to retail customers, the compensation limited to 6 months of interest or 3% of the capital outstanding is considered as reasonable. Actuarial penalties, corresponding to the discount value of the difference between the residual contractual cash-flows of the loan, and their reinvestment in a loan to a similar counterparty or in the interbank market for a similar residual maturity are also considered as reasonable, even when the compensation can be positive or negative (i.e., so called "symmetric" compensations). An option that permits the issuer or the holder of a financial instrument to change the interest rate from floating to fixed rate does not breach the cash flow criterion if the fixed rate is determined at origination, or if it represents the time value of money for the residual maturity of the instrument at the date of exercise of the option.

In the particular case of financial assets contractually linked to payments received on a portfolio of underlying assets and which include a priority order for payment of cash flows between investors ("tranches"), thereby creating concentrations of credit risk, a specific analysis is carried out. The contractual characteristics of the tranche and those of the underlying financial instruments portfolios must meet the cash flow criterion and the credit risk exposure of the tranche must be equal or lower than the exposure to credit risk of the underlying pool of financial instruments.

Certain loans may be "non-recourse", either contractually, or in substance when they are granted to a special purpose entity. That is in particular the case of numerous project financing or asset financing loans. The cash-flow criterion is met as long as these loans do not represent a direct exposure on the assets acting as collateral. In practice, the sole fact that the financial asset explicitly gives rise to cash-flows that are consistent with payments of principal and interest is not sufficient to conclude that the instrument meets the cash-flows criterion. In that case, the particular underlying assets to which there is limited recourse shall be analysed using the "look-through" approach. If those assets do not themselves meet the cash-flows criterion, an assessment of the existing credit enhancement is performed. The following aspects are considered: structuring and sizing of the transaction, own funds level of the structure, expected source of repayment, volatility of the underlying assets. This analysis is applied to "non-recourse" loans granted by the Group.

The "financial assets at amortised cost" category includes, in particular, loans granted by the Group, as well as reverse repurchase agreements and securities held by the Group ALM Treasury in order to collect contractual flows and meeting the cash-flows criterion.

Recognition

On initial recognition, financial assets are recognised at their fair value, including transaction costs directly attributable to the transaction as well as commissions related to the origination of the loans.

They are subsequently measured at amortised cost, including accrued interest and net of repayments of principal and interest during the past period. These financial assets are also subject from initial recognition, to the measurement of a loss allowance for expected credit losses (note 1.e.5).

Interest is calculated using the effective interest method determined at inception of the contract.

1.e.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY

Debt instruments

Debt instruments are classified at fair value through shareholders' equity if the following two criteria are met:

- business model criterion: Financial assets are held in a business model whose objective is achieved by both holding the financial assets in order to collect contractual cash flows and selling the financial assets ("collect and sale"). The latter is not incidental but is an integral part of the business model.
- cash flow criterion: The principles are identical to those applicable to financial assets at amortised cost.

The securities held by the Group ALM Treasury in order to collect contractual flows or to be sold and meeting the cash flow criterion are in particular classified in this category.

On initial recognition, financial assets are recognised at their fair value, including transaction costs directly attributable to the transaction. They are subsequently measured at fair value and changes in fair value are recognised, under a specific line of shareholders' equity entitled "Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss". These financial assets are also subject to the measurement of a loss allowance for expected credit losses on the same approach as for debt instruments at amortised cost. The counterparty of the related impact in cost of risk is recognised in the same specific line of shareholders' equity. On disposal, changes in fair value previously recognised in shareholders' equity are reclassified to profit or loss.

In addition, interest is recognised in the income statement using the effective interest method determined at the inception of the contract.

Equity instruments

Investments in equity instruments such as shares are classified on option, and on a case by case basis, at fair value through shareholders' equity (under a specific line). On disposal of the shares, changes in fair value previously recognised in equity are not recognised in profit or loss. Only dividends, if they represent remuneration for the investment and not repayment of capital, are recognised in profit or loss. These instruments are not subject to impairment.

Investments in mutual funds puttable to the issuer do not meet the definition of equity instruments. They do not meet the cash flow criterion either, and thus are recognised at fair value through profit or loss.

1.e.3 FINANCING AND GUARANTEE COMMITMENTS

Financing and financial guarantee commitments that are not recognised as derivative instruments at fair value through profit or loss are presented in the note relating to financing and guarantee commitments. They are subject to the measurement of a loss allowance for expected credit losses. These loss allowances are presented under "Provisions for contingencies and charges".

1.e.4 REGULATED SAVINGS AND LOAN CONTRACTS

Home savings accounts (*Comptes Épargne-Logement* – "CEL") and home savings plans (*Plans d'Épargne Logement* – "PEL") are government-regulated retail products sold in France. They combine a savings phase and a loan phase which are inseparable, with the loan phase contingent upon the savings phase.

These products contain two types of obligations for BNP Paribas: an obligation to pay interest on the savings for an indefinite period, at a rate set by the government at the inception of the contract (in the case of PEL products) or at a rate reset every six months using an indexation formula set by law (in the case of CEL products); and an obligation to lend to the customer (at the customer's option) an amount contingent upon the rights acquired during the savings phase, at a rate set at the inception of the contract (in the case of PEL products) or at a rate contingent upon the savings phase (in the case of CEL products).

The Group's future obligations with respect to each generation (in the case of PEL products, a generation comprises all products with the same interest rate at inception; in the case of CEL products, all such products constitute a single generation) are measured by discounting potential future earnings from at-risk outstandings for that generation.

At-risk outstandings are estimated on the basis of a historical analysis of customer behaviour, and are equivalent to:

- for the loan phase: statistically probable loans outstanding and actual loans outstanding;
- for the savings phase: the difference between statistically probable outstandings and minimum expected outstandings, with minimum expected outstandings being deemed equivalent to unconditional term deposits.

Earnings for future periods from the savings phase are estimated as the difference between the reinvestment rate and the fixed savings interest rate on at-risk savings outstanding for the period in question. Earnings for future periods from the loan phase are estimated as the difference between the refinancing rate and the fixed loan interest rate on at-risk loans outstanding for the period in question.

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are determined on the basis of actual spreads on fixed rate home loans in the case of the loan phase and products offered to individual clients in the case of the savings phase. In order to reflect the uncertainty of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte-Carlo method.

Where the sum of the Group's estimated future obligations with respect to the savings and loan phases of any generation of contracts indicates a potentially unfavourable situation for the Group, a provision is recognised (with no offset between generations) in the balance sheet in "Provisions for contingencies and charges". Movements in this provision are recognised as interest income in the profit and loss account.

1.e.5 IMPAIRMENT OF FINANCIAL ASSETS MEASURED AT AMORTISED COST AND DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY

The impairment model for credit risk is based on expected losses.

This model applies to loans and debt instruments measured at amortised cost or fair value through equity, to loan commitments and financial guarantee contracts that are not recognised at fair value, as well as to lease receivables, trade receivables and contract assets.

General model

The group identifies three "stages" that correspond each to a specific status with regards to the evolution of counterparty credit risk since the initial recognition of the asset.

- 12-month expected credit losses ("stage 1"): If at the reporting date, the credit risk of the financial instrument has not increased significantly since its initial recognition, this instrument is impaired at an amount equal to 12-month expected credit losses (resulting from the risk of default within the next 12 months).

- Lifetime expected credit losses for non-impaired assets ("stage 2"): The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition, but the financial asset is not considered credit-impaired or doubtful.
- Lifetime expected credit losses for credit-impaired or doubtful financial assets ("stage 3"): the loss allowance is also measured for an amount equal to the lifetime expected credit losses.

This general model is applied to all instruments within the scope of IFRS 9 impairment, except for purchased or originated credit-impaired financial assets and instruments for which a simplified model is used (see below).

The IFRS 9 expected credit loss approach is symmetrical, i.e., if lifetime expected credit losses have been recognised in a previous reporting period, and if it is assessed in the current reporting period that there is no longer any significant increase in credit risk since initial recognition, the loss allowance reverts to a 12-months expected credit loss.

As regards interest income, under "stage" 1 and 2, it is calculated on the gross carrying amount. Under "stage 3", interest income is calculated on the amortised cost (i.e., the gross carrying amount adjusted for the loss allowance).

Definition of default

The definition of default is aligned with the Basel regulatory default definition, with a rebuttable presumption that the default occurs no later than 90 days past due. This definition takes into account the EBA guidelines of 28 September 2016, notably those regarding the thresholds applicable for the counting of past-due and probation periods.

The definition of default is used consistently for assessing the increase in credit risk and measuring expected credit losses.

Credit-impaired or doubtful financial assets

Definition

A financial asset is considered credit-impaired or doubtful and classified in "stage 3" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

At an individual level, objective evidence that a financial asset is credit-impaired includes observable data regarding the following events: the existence of accounts that are more than 90 days past due; knowledge or indications that the borrower meets significant financial difficulties, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments; concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section *Restructuring of financial assets for financial difficulties*).

Specific cases of purchased or originated credit-impaired assets

In some cases, financial assets are credit-impaired at their initial recognition.

For these assets, there is no loss allowance accounted for at initial recognition. The effective interest rate is calculated taking into account the lifetime expected credit losses in the initial estimated cash flows. Any change in lifetime expected credit losses since initial recognition, positive or negative, is recognised as a loss allowance adjustment in profit or loss.

Simplified model

The simplified approach consists in accounting for a loss allowance corresponding to lifetime expected credit losses since initial recognition, and at each reporting date.

The group applies this model to trade receivables with a maturity shorter than 12 months.

Significant increase in credit risk

A significant increase in credit risk may be assessed on an individual basis or on a collective basis (by grouping financial instruments according to common credit risk characteristics) taking into account all reasonable and supportable information and comparing the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition.

Assessment of deterioration is based on the comparison of the probabilities of default or the ratings on the date of initial recognition with those existing at the reporting date.

There is also, according to the standard, a rebuttable presumption that the credit risk of an instrument has significantly increased since initial recognition when the contractual payments are more than 30 days past due.

In the consumer credit specialised business, a significant increase in credit risk is also considered when a past due event has occurred within the last 12 months, even if it has since been regularised.

In the context of the health crisis, the granting of moratoria that meet the criteria defined in the EBA guidelines published on 2 April 2020, and amended on 2 December 2020, has not been considered, in isolation, as an indicator of a significant increase in credit risk leading to an automatic transfer to stage 2. The granting of "private" moratoria that meet equivalent criteria to those defined in the EBA guidelines has followed the same treatment. Moratoria do not trigger the counting of past-due days as long as the new schedule of payment is respected.

The principles applied to assess the significant increase in credit risk are detailed in note 2.h Cost of risk.

Measurement of expected credit losses

Expected credit losses are defined as an estimate of credit losses (i.e., the present value of all cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of financial instruments. They are measured on an individual basis, for all exposures.

In practice, for exposures classified in stage 1 and stage 2, expected credit losses are measured as the product of the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), discounted at the effective interest rate of the exposure (EIR). They result from the risk of default within the next 12 months (stage 1), or from the risk of default over the maturity of the facility (stage 2). In the consumer credit specialised business, because of the specificity of credit exposures, the methodology used is based on the probability of transition to term forfeiture, and on discounted loss rates after term forfeiture. The measurement of these parameters is performed on a statistical basis for homogeneous populations.

For exposures classified in stage 3, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash-flows that are due in accordance with the contract, and the cash-flows that are expected to be received. Where appropriate, the estimate of expected cash flows takes into account a cash flow scenario arising from the sale of the defaulted loan or group of loans. The proceeds of sale are net of costs to sell.

The methodology developed is based on existing concepts and methods (in particular the Basel framework) on exposures for which capital requirement for credit risk is measured according to the IRBA methodology. This method is also applied to portfolios for which capital requirement for credit risk is measured according to the standardised approach. Besides, the Basel framework has been adjusted in order to be compliant with IFRS 9 requirements, in particular the use of forward-looking information.

Maturity

All contractual terms of the financial instrument are taken into account, including prepayment, extension and similar options. In the rare cases where the expected life of the financial instrument cannot be estimated reliably, the residual contractual term is used. The standard specifies that the maximum period to consider when measuring expected credit losses is the maximum contractual period. However, for revolving credit cards and overdrafts, in accordance with the exception provided by IFRS 9 for these products, the maturity considered for expected credit losses measurement is the period over which the entity is exposed to credit risk, which may extend beyond the contractual maturity (notice period). For revolving credits and overdrafts to non-retail counterparties, the contractual maturity can be taken, for example if the next review date is the contractual maturity as they are individually managed.

Probabilities of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The measurement of expected credit losses requires the estimation of both 1-year probabilities of default and lifetime probabilities of default.

1-year PDs are derived from long term average regulatory "through the cycle" PDs to reflect the current situation ("point in time" or "PIT").

Lifetime PDs are determined from the rating migration matrices reflecting the expected rating evolution of the exposure until maturity, and the associated probabilities of default.

Loss Given Default (LGD)

Loss Given Default is the difference between contractual cash-flows and expected cash-flows, discounted using the effective interest rate (or an approximation thereof) at the default date. The LGD is expressed as a percentage of the EAD.

The estimate of expected cash flows takes into account cash flows resulting from the sale of collateral held or other credit enhancements if they are part of the contractual terms and are not accounted for separately by the entity (for example, a mortgage associated with a residential loan), net of the costs of obtaining and selling the collateral.

For state-guaranteed loans originated in the context of the health crisis, the guarantee is considered as integral to the loan agreement if it is embedded in the contractual clauses of the loan, or it was granted at origination of the loan, and if the expected reimbursement amount can be attached to a loan in particular (i.e. absence of pooling effect by means of a tranching mechanism, or the existence of a global cap for a whole portfolio). In such case, the guarantee is taken into account when measuring the expected credit losses. Otherwise, it is accounted for as a separate reimbursement asset.

The LGD used for IFRS 9 purposes is derived from the Basel LGD parameters. It is retreated for downturn and conservatism margins (in particular regulatory margins), except for margins for model uncertainties.

Exposure At Default (EAD)

The Exposure At Default (EAD) of an instrument is the anticipated outstanding amount owed by the obligor at the time of default. It is determined by the expected payment profile taking into account, depending on the product type: the contractual repayment schedule, expected early repayments and expected future drawings for revolving facilities.

Forward looking

The amount of expected credit losses is measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable and supportable economic forecasts.

The principles applied to take into account forward looking information when measuring expected credit losses are detailed in note 2.h *Cost of risk*.

Write-offs

A write-off consists in reducing the gross carrying amount of a financial asset when there are no longer reasonable expectations of recovering that financial asset in its entirety or a portion thereof, or when it has been fully or partially forgiven. The write-off is recorded when all other means available to the Bank for recovering the receivables or guarantees have failed, and also generally depends on the context specific to each jurisdiction.

If the amount of loss on write-off is greater than the accumulated loss allowance, the difference is an additional impairment loss posted in "Cost of risk". For any receipt occurring when the financial asset (or part of it) is no longer recognised on the balance-sheet, the amount received is recorded as an impairment gain in "Cost of risk".

Recoveries through the repossession of the collateral

When a loan is secured by a financial or a non-financial asset serving as a guarantee and the counterparty is in default, the group may decide to exercise the guarantee and, according to the jurisdiction, it may then become owner of the asset. In such a situation, the loan is written-off in counterparty of the asset received as collateral.

Once ownership of the asset is carried out, it is accounted for at fair value and classified according to the intent of use.

Restructuring of financial assets for financial difficulties

A restructuring due to the borrower's financial difficulties is defined as a change in the terms and conditions of the initial transaction that the Group is considering only for economic or legal reasons related to the borrower's financial difficulties.

For restructurings not resulting in derecognition of the financial asset, the restructured asset is subject to an adjustment of its gross carrying amount, to reduce it to the discounted amount, at the original effective interest rate of the asset, of the new expected future flows. The change in the gross carrying amount of the asset is recorded in the income statement in "Cost of risk".

The existence of a significant increase in credit risk for the financial instrument is then assessed by comparing the risk of default after the restructuring (under the revised contractual terms) and the risk of default at the initial recognition date (under the original contractual terms). In order to demonstrate that the criteria for recognising lifetime expected credit losses are no longer met, good quality payment behaviour will have to be observed over a certain period of time.

When the restructuring consists of a partial or total exchange against other substantially different assets (for example, the exchange of a debt instrument against an equity instrument), it results in the extinction of the original asset and the recognition of the assets remitted in exchange, measured at their fair value at the date of exchange. The difference in value is recorded in the income statement in "Cost of risk".

As a reminder, in response to the health crisis, several moratoria have been granted to clients. These moratoria mostly consisted in payment suspension of a few months, with interests that may or not continue to accrue during the suspension period. To that extent, the modification was generally considered as not substantial. The associated discount (linked to the absence of interest accruing, or interest accruing at a rate that was lower than the EIR of the loan) was thus accounted for in NBI, subject to the respect of certain criteria[5]. In such cases, the moratorium was considered as not being granted in response to the borrower encountering financial difficulties, but in response to a temporary liquidity crisis and the credit risk was not considered to have significantly increased.

Modifications to financial assets that are not due to a borrower's financial difficulties, or granted in the context of a moratorium (i.e., commercial renegotiations) are generally analysed as the early repayment of the former financial asset, which is then derecognised, followed by the set-up of a new financial asset at market conditions. They consist in resetting the interest rate of the loan at market conditions, with the client being in a position to change its lender and not encountering any financial difficulties.

[5] Moratoria qualified as "COVID-19 General moratorium Measure" (i.e. meeting the criteria defined in EBA Guidelines published on 2 April 2020 and modified on 2 December 2020) or similar measures that do not lead to a transfer to stage 3.

Probation periods

The Group applies observation periods to assess the possible return to a better stage. Thus, a probation period of 3 months is observed for the transition from stage 3 to stage 2. This period is extended to 12 months in the event of restructuring due to financial difficulties.

For the transition from stage 2 to stage 1, a probation period of two years is observed for loans that have been restructured due to financial difficulties.

1.e.6 COST OF RISK

Cost of risk includes the following items of profit or loss:

- impairment gains and losses resulting from the accounting of loss allowances for 12-month expected credit losses and lifetime expected credit losses ('stage 1' and 'stage 2') relating to debt instruments measured at amortised cost or at fair value through shareholders' equity, loan commitments and financial guarantee contracts that are not recognised at fair value as well as lease receivables, contract assets and trade receivables;
- impairment gains and losses resulting from the accounting of loss allowances relating to financial assets (including those at fair value through profit or loss) for which there is objective evidence of impairment ('stage 3'), write-offs on irrecoverable loans and amounts recovered on loans written-off;
- impairment gains and losses relating to fixed-income securities of insurance entities that are individually impaired (which fall under IAS 39).

It also includes expenses relating to fraud and to disputes inherent to the financing activity.

1.e.7 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Trading portfolio and other financial assets measured at fair value through profit or loss

The trading portfolio includes instruments held for trading (trading transactions), including derivatives.

Other financial assets measured at fair value through profit or loss include debt instruments that do not meet the "collect" or "collect and sale" business model criterion or that do not meet the cash-flow criterion, as well as equity instruments for which the fair value through shareholders' equity option has not been retained.

All those financial instruments are measured at fair value at initial recognition, with transaction costs directly posted in profit or loss. At reporting date, they are measured at fair value, with changes presented in "Net gain/loss on financial instruments at fair value through profit or loss". Income, dividends, and realised gains and losses on disposal related to held-for-trading transactions are accounted for in the same profit or loss account.

Financial liabilities designated as at fair value through profit or loss

Financial liabilities are recognised under option in this category in the two following situations:

- for hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- when using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would otherwise arise if they were to be classified in separate categories.

Changes in fair value due to the own credit risk are recognised under a specific heading of shareholders' equity.

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I.e.8 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

A financial instrument issued or its various components are classified as a financial liability or equity instrument, in accordance with the economic substance of the legal contract.

Financial instruments issued by the Group are qualified as debt instruments if the entity in the Group issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, or to deliver a variable number of the Group's own equity instruments.

Equity instruments result from contracts evidencing a residual interest in an entity's assets after deducting all of its liabilities.

Debt securities and subordinated debt

Debt securities and subordinated debt are measured at amortised cost unless they are recognised at fair value through profit or loss.

Debt securities are initially recognised at the issue value including transaction costs and are subsequently measured at amortised cost using the effective interest method.

Bonds redeemable or convertible into own equity are hybrid instruments that may contain a debt component and an equity component, determined upon initial recognition of the transaction.

Equity instruments

The term "own equity instruments" refers to shares issued by the parent company (BNP Paribas SA) and by its fully consolidated subsidiaries. External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

Own equity instruments held by the Group, also known as treasury shares, are deducted from consolidated shareholders' equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated profit and loss account.

When the Group acquires equity instruments issued by subsidiaries under the exclusive control of BNP Paribas, the difference between the acquisition price and the share of net assets acquired is recorded in retained earnings attributable to BNP Paribas shareholders. Similarly, the liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are offset against minority interests, with any surplus offset against retained earnings attributable to BNP Paribas shareholders. Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the profit and loss account. A decrease in the Group's interest in a fully consolidated subsidiary is recognised in the Group's accounts as a change in shareholders' equity.

Financial instruments issued by the group and classified as equity instruments (e.g. Undated Super Subordinated Notes) are presented in the balance sheet in "Capital and retained earnings".

Distributions from a financial instrument classified as an equity instrument are recognised directly as a deduction from equity. Similarly, the transaction costs of an instrument classified as equity are recognised as a deduction from shareholders' equity.

Own equity instrument derivatives are treated as follows, depending on the method of settlement:

- as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives if they are settled in cash or by choice by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

If the contract includes an obligation, whether contingent or not, for the bank to repurchase its own shares, the bank recognises the debt at its present value with an offsetting entry in shareholders' equity.

1.e.9 HEDGE ACCOUNTING

The Group retained the option provided by the standard to maintain the hedge accounting requirements of IAS 39 until the future standard on macro-hedging is entered into force. Furthermore, IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions in IAS 39 for these portfolio hedges, as adopted by the European Union, continue to apply.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Fair value hedges are particularly used to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, demand deposits and fixed rate loans).

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast foreign currency revenues.

At the inception of the hedge, the Group prepares formal documentation which details the hedging relationship, identifying the instrument, or portion of the instrument, or portion of risk that is being hedged, the hedging strategy and the type of risk hedged, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, the Group assesses, in consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

Under IAS 39 as adopted by the European Union, which excludes certain provisions on portfolio hedging, interest rate risk hedging relationships based on portfolios of assets or liabilities qualify for fair value hedge accounting as follows:

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);
- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlying;
- the hedging instruments used consist exclusively of "plain vanilla" swaps;
- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlying. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlying specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

The accounting treatment of derivatives and hedged items depends on the hedging strategy.

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value recognised in profit or loss in "Net gain/loss on financial instruments at fair value through profit or loss", symmetrically with the remeasurement of the hedged item to reflect the hedged risk. In the balance sheet, the fair value remeasurement of the hedged component is recognised in accordance with the classification of the hedged item in the case of a hedge of identified assets and liabilities, or under "Remeasurement adjustment on interest rate risk hedged portfolios" in the case of a portfolio hedging relationship.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging instrument is transferred to the trading book and accounted for using the treatment applied to this category. In the case of identified fixed-income instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of interest rate risk hedged fixed-income portfolios, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge. If the hedged item no longer appears in the balance sheet, in particular due to prepayments, the adjustment is taken to the profit and loss account immediately.

In a cash flow hedging relationship, the derivative is measured at fair value in the balance sheet, with changes in fair value taken to shareholders' equity on a separate line, "Changes in fair value recognised directly in equity". The amounts taken to shareholders' equity over the life of the hedge are transferred to the profit and loss account under "Net interest income" as and when the cash flows from the hedged item impact profit or loss. The hedged items continue to be accounted for using the treatment specific to the category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in shareholders' equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss, or until it becomes clear that the transaction will not occur, at which point they are transferred to the profit and loss account.

If the hedged item ceases to exist, the cumulative amounts recognised in shareholders' equity are immediately taken to the profit and loss account.

Whatever the hedging strategy used, any ineffective portion of the hedge is recognised in the profit and loss account under "Net gain/loss on financial instruments at fair value through profit or loss".

Hedges of net foreign currency investments in subsidiaries and branches are accounted for in the same way as cash flow hedges. Hedging instruments may be foreign exchange derivatives or any other non-derivative financial instrument.

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1.e.10 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

The Group determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g., discounted cash flows, Black-Scholes model, and interpolation techniques). They maximise the use of observable inputs and minimise the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, the Group retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

Assets and liabilities measured or disclosed at fair value are categorised into the three following levels of the fair value hierarchy:

- Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices.
- Level 2: fair values are determined based on valuation techniques for which significant inputs are observable market data, either directly or indirectly. These techniques are regularly calibrated and the inputs are corroborated with information from active markets.
- Level 3: fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there are no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment.

The level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value.

For financial instruments disclosed in Level 3 of the fair value hierarchy, and marginally some instruments disclosed in Level 2, a difference between the transaction price and the fair value may arise at initial recognition. This "Day One Profit" is deferred and released to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

1.e.11 DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derecognition of financial assets

The Group derecognises all or part of a financial asset either when the contractual rights to the cash flows from the asset expire or when the Group transfers the contractual rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset. Unless these conditions are fulfilled, the Group retains the asset in its balance sheet and recognises a liability for the obligation created as a result of the transfer of the asset.

Derecognition of financial liabilities

The Group derecognises all or part of a financial liability when the liability is extinguished in full or in part.

Repurchase agreements and securities lending/borrowing

Securities temporarily sold under repurchase agreements continue to be recognised in the Group's balance sheet in the category of securities to which they belong. The corresponding liability is recognised at amortised cost under the appropriate "Financial liabilities at amortised cost" category on the balance sheet, except in the case of repurchase agreements contracted for trading purposes, for which the corresponding liability is recognised in "Financial liabilities at fair value through profit or loss".

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised at amortised cost under the appropriate "Financial assets at amortised cost" category in the balance sheet, except in the case of reverse repurchase agreements contracted for trading purposes, for which the corresponding receivable is recognised in "Financial assets at fair value through profit or loss".

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under "Financial liabilities at fair value through profit or loss".

1.e.12 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives that meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.f ACCOUNTING STANDARDS SPECIFIC TO INSURANCE ACTIVITIES

The specific accounting policies and valuation rules relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

The amendment to IFRS 4 "Insurance Contracts" published by the IASB on 25 June 2020 provides the option for entities that predominantly undertake insurance activities to defer the effective date of IFRS 9 application until 1 January 2023 in line with the deferral of the mandatory application date for IFRS 17 "Insurance Contracts".

The effect of such a deferral is that those entities may continue to report their financial statements under the existing standard IAS 39.

This temporary exemption from IFRS 9, limited to groups that predominantly undertake insurance activities according to the IASB amendment, has been extended to the insurance segment of financial conglomerates as defined by the Directive 2002/87/EC as adopted by the European Union. This exemption is subject to certain conditions, notably the absence of internal transfers of financial instruments, other than financial instruments that are measured at fair value through profit or loss, between insurance entities and other entities of the financial conglomerate.

BNP Paribas Group applies this amendment to all its insurance entities, including funds related to this activity, which will apply IAS 39 "Financial instruments: Recognition and Measurement" until 31 December 2022.

All other insurance company assets and liabilities are accounted for using the policies applied to the Group's assets and liabilities generally and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.f.1 PROFIT AND LOSS ACCOUNT

Income and expenses recognised under insurance contracts issued by the group are presented in the income statement under "Net income from insurance activities".

This heading in the income statement includes premiums earned, net gain in investment contracts with no discretionary participation feature and other services, net investment income (including income on investment property and impairment on shares and other equity instruments), technical charges related to contracts; (including policyholders surplus reserve), net charges from ceded reinsurance and external charges related to contracts (including commissions).

Other income and expenses relating to insurance activities (i.e., recorded by insurance entities) are presented in the other income statement headings according to their nature.

1.f.2 FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

Investments of insurance activities mainly include:

- investments by insurance entities in financial instruments that are recognised in accordance with the principles of IAS 39, which include investments representing technical reserves of insurance activities and notably unit-linked contracts;
- derivative instruments with a positive fair value. Group insurance entities underwrite derivative instruments for hedging purposes;
- investment properties;
- equity method investments;
- and reinsurers' share in liabilities arising from insurance and investment contracts.

Investments in financial instruments

Financial investments held by the group's insurance entities are classified in one of the four categories provided for in IAS 39: Financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

- Financial assets at fair value through profit or loss

The category of 'Financial assets at fair value through profit or loss' includes derivatives and financial assets that the Group has elected to recognise and measure at fair value through profit or loss at inception, in accordance with the option offered by IAS 39.

Financial assets may be designated at fair value through profit or loss in the following cases (in accordance with IAS 39):

- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate accounting categories;
- when the group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, in accordance with a documented risk management and investment strategy.

Investments held in respect of insurance or investment contracts where the financial risk is borne by policyholders (unit-linked contracts) are recognised at fair value option through profit or loss.

When the Group measures at fair value through profit or loss investments made in respect of its insurance activities in entities over which it exercises significant influence or joint control, these investments are presented under the line "Financial assets at fair value through profit or loss" (see §1.b.2).

Financial instruments classified in this category are initially recognised at their fair value, with transaction costs being directly recognised in the income statement.
At the closing date, they are valued at their fair value.
Changes in value compared to the last valuation, income, dividends and realised gains and losses are presented under "Net income from insurance activities" and under "Net gain on financial instruments at fair value through profit or loss".

- Loans and advances

Fixed or determinable -income securities, which are not quoted in an active market, other than those for which the holder may not recover substantially all of its initial investment for reasons other than credit deterioration, are classified as "Loans and receivables" when they do not meet the conditions for classification as financial assets at fair value through profit or loss.

Loans and receivables are initially recognised at their fair value or equivalent, which generally corresponds to the net amount originally paid.
Loans and receivables are subsequently measured at amortised cost using the effective interest method and net of repayments of principal and interest.
Interest is calculated using the effective interest method, which includes interest, transaction costs and commissions included in their initial value and is presented under "Net income from insurance activities" and under sub-heading "Net gain on financial instruments at amortised cost".

Impairment losses recognised when there is objective evidence of impairment related to an event subsequent to the acquisition of the asset are presented under "Cost of risk".

- Held-to-maturity financial assets

"Held-to-maturity financial assets" include debt securities, with fixed maturity, that the Group has the intention and ability to hold until maturity.

Securities classified in this category are recognised at amortised cost using the effective interest method.

Income received on these securities is presented under "Net income from insurance activities" and under sub-heading "Net gain on financial instruments at amortised cost". Impairment losses recognised when there is objective evidence of impairment related to an event subsequent to the acquisition of the asset are presented under "Cost of risk".

- Available-for-sale financial assets

The category "Available-for-sale financial assets" includes debt or equity securities that do not fall within the previous three categories.

Assets included in the available-for-sale category are initially recorded at fair value, plus transaction costs where material. At the end of the reporting period, they are valued at their fair value and the changes in the latter, excluding accrued income, are presented under a specific heading of equity. On disposal of the securities, these unrealised gains or losses previously recognised in equity are reclassified in the income statement under the heading "Net income from insurance activities".

Income recognised using the effective interest method on debt securities, dividends received and impairment (in the event of a significant or lasting decline in the value of the securities) of equity securities are presented under "Net income from insurance activities" and under section "Net gain on available-for-sale financial assets". Impairment losses on debt securities are presented under "Cost of risk".

Investment property

Investment property corresponds to buildings held directly by insurance companies and property companies controlled.

Investment property, except for those used for unit-linked contracts, is recognised at cost and follows the accounting methods of the assets described elsewhere.

Investment property, held in respect of unit-linked contracts, is valued at fair value or equivalent, with changes in value recognised in the income statement.

Equity method investments

Investments in entities or real estate funds over which the Group exercises significant influence or joint control and for which the equity method is applied are recognised in the line "Equity method investments".

1.f.3 TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

The item "Technical reserves and other insurance liabilities" includes:

- commitments to policyholders and beneficiaries of contracts, which include technical reserves for insurance contracts subject to significant insurance hazard (mortality, longevity, disability, incapacity...) and technical liabilities of investment contracts with a discretionary profit-sharing feature, falling within IFRS 4. The discretionary participation clause grants life insurance policyholders the right to receive, in addition to the guaranteed remuneration, a share of the financial results achieved;

- other insurance liabilities related to unit-linked contracts that fall within the scope of IAS 39 (i.e., investment contracts with no discretionary participating features);

- policyholders' surplus reserve;

- liabilities arising from insurance and reinsurance operations, including liabilities due to policyholders;

- financial derivative instruments of insurance activities carried at fair value through profit or loss, the fair value of which is negative. Group insurance entities underwrite derivative instruments for hedging purposes.

Financial liabilities that are not insurance liabilities (e.g., subordinated debt) fall under IAS 39. They are presented in "Financial liabilities at amortised cost".

Insurance and reinsurance contracts and investment contracts with discretionary participating features

Life insurance guarantees cover mainly death risk (term life insurance, annuities, repayment of loans or guaranteed minimum on unit-linked contracts) and, regarding borrowers' insurance, to disability, incapacity and unemployment risks.

For life insurance, technical reserves consist mainly of mathematical reserves that corresponds as a minimum, to the surrender value of contracts and surplus reserve.

The policyholders' surplus reserve also includes amounts resulting from the application of shadow accounting representing the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

A capitalisation reserve is set up in individual statutory accounts of French life-insurance companies on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this reserve is reclassified into "Policyholders' surplus" on the liabilities side of the consolidated balance sheet, to the extent that it is highly probable it will be used.

Non-life technical reserves consist of unearned premium reserves (corresponding to the portion of written premiums relating to future periods) and outstanding claims reserves, inclusive of claims handling costs.

At the reporting date, a liability adequacy test is performed: The level of technical reserves (net of acquisition costs outstanding) is compared to the average value of future cash flows resulting from stochastic calculations. Related adjustment to technical reserves, if any, is taken to the profit and loss account for the period.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss.

Investment contracts with no discretionary participating features

Investment contracts with no discretionary participating features correspond mainly to unit-linked contracts that do not meet the definition of insurance and investment contracts with discretionary participating features.

Liabilities arising from unit-linked contracts are measured by reference to the fair value of the assets backing these contracts at the closing date.

1.g PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet are composed of assets used in operations and investment property. Rights-of-use related to leased assets (see note 1.h.2) are presented by the lessee within fixed assets in the same category as similar assets held.

Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by the Group as lessor under operating leases.

Investment property comprises property assets held to generate rental income and capital gains.

Investment property is recognised at cost, with the exception of those representing insurance or investment contracts whose risk is borne by policyholders (unit-linked contracts), which are measured at fair value through profit or loss and presented in the balance sheet under "Financial investments of insurance activities" (note 1.f.2).

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software developed internally by the BNP Paribas Group that fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external costs and the labour costs of employees directly attributable to the project.

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses.

The depreciable amount of property, plant and equipment and intangible assets is calculated after deducting the residual value of the asset. Only assets leased by the Group as the lessor under operating leases are presumed to have a residual value, as the useful life of property, plant and equipment and intangible assets used in operations is generally the same as their economic life.

Property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expense is recognised in the profit and loss account under "Depreciation, amortisation and impairment of property, plant and equipment and intangible assets".

Where an asset consists of a number of components which may require replacement at regular intervals, or which have different uses or generate economic benefits at different rates, each component is recognised separately and depreciated using a method appropriate to that component. The BNP Paribas Group has adopted the component-based approach for property used in operations and for investment property.

The depreciation periods used for office property are as follows: 80 years or 60 years for the shell (for prime and other property respectively); 30 years for facades; 20 years for general and technical installations; and 10 years for fixtures and fittings.

Software is amortised, depending on its type, over periods of no more than 8 years in the case of infrastructure developments and 3 years or 5 years in the case of software developed primarily for the purpose of providing services to customers.

Software maintenance costs are expensed as incurred. However, expenditure that is regarded as upgrading the software or extending its useful life is included in the initial acquisition or production cost.

Depreciable property, plant and equipment and intangible assets are tested for impairment if there is an indication of potential impairment at the balance sheet date. Non-depreciable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount. If the asset is found to be impaired, an impairment loss is recognised in the profit and loss account. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment losses are taken to the profit and loss account in “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Gains and losses on disposals of property, plant and equipment and intangible assets used in operations are recognised in the profit and loss account in “Net gain on non-current assets”.

Gains and losses on disposals of investment property are recognised in the profit and loss account in “Income from other activities” or “Expense on other activities”.

1.h LEASES

Group companies may either be the lessee or the lessor in a lease agreement.

1.h.1 GROUP COMPANY AS LESSOR

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

- **Finance leases**

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable. The net income earned from the lease by the lessor is equal to the amount of interest on the loan, and is taken to the profit and loss account under “Interest income”. The lease payments are spread over the lease term, and are allocated to reduction of the principal and to interest such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease.

Impairments of lease receivables are determined using the same principles as applied to financial assets measured at amortised cost.

- **Operating leases**

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor’s balance sheet and depreciated on a straight-line basis over its useful life. The depreciable amount excludes the residual value of the asset. The lease payments are taken to the profit and loss account in full on a straight-line basis over the lease term. Lease payments and depreciation expenses are taken to the profit and loss account under “Income from other activities” and “Expense on other activities”.

1.h.2 GROUP COMPANY AS LESSEE

Lease contracts concluded by the Group, with the exception of contracts whose term is shorter than or equal to 12 months and low-value contracts, are recognised in the balance-sheet in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right of use assets is amortised on a straight-line basis and the financial liabilities are amortised on an actuarial basis over the lease period. Dismantling costs corresponding to specific and significant fittings and fixtures are included in the initial right-of-use estimation, in counterparty of a provision liability.

The key hypothesis used by the Group for the measurement of rights of use and lease liabilities are the following:

- the lease term corresponds to the non-cancellable period of the contract, together with periods covered by an extension option if the Group is reasonably certain to exercise this option. In France, the standard commercial lease contract is the so-called "three, six, nine" contract for which the maximum period of use is nine years, with a first non-cancellable period of three years followed by two optional extension periods of three years each; hence, depending on the assessment, the lease term can be of three, six or nine years. When investments like fittings or fixtures are performed under the contract, the lease term is aligned with their useful lives. For tacitly renewable contracts, with or without an enforceable period, related right of use and lease liabilities are recognised based on an estimate of the reasonably foreseeable economic life of the contracts, minimal occupation period included.

- the discount rate used to measure the right of use and the lease liability is assessed for each contract as the interest rate implicit in the lease, if that rate can be readily determined, or more generally based on the incremental borrowing rate of the lessee at the date of signature. The incremental borrowing rate is determined considering the average term (duration) of the contract.

- when the contract is modified, a new assessment of the lease liability is made taking into account the new residual term of the contract, and therefore a new assessment of the right of use and the lease liability is established.

1.i ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell assets or a group of assets and liabilities and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line "Assets held for sale". Any liabilities associated with these assets are also shown separately in the balance sheet, on the line "Liabilities associated with assets held for sale". When the Group is committed to a sale plan involving loss of control of a subsidiary and the sale is highly probable within 12 months, all the assets and liabilities of that subsidiary are classified as held for sale.

Once classified in this category, assets and the group of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a cash generating unit, it is categorised as a "discontinued operation". Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

In this case, gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line "Net income from discontinued activities". This line includes after tax profits or losses of discontinued operations, after tax gain or loss arising from remeasurement at fair value less costs to sell, and after tax gain or loss on disposal of the operation.

1.j EMPLOYEE BENEFITS

Employee benefits are classified in one of four following categories:

- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
- termination benefits;
- post-employment benefits, including top-up banking industry pensions and retirement bonuses in France and pension plans in other countries, some of which are operated through pension funds.

- **Short-term benefits**

The Group recognises an expense when it has used services rendered by employees in exchange for employee benefits.

- **Long-term benefits**

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that the revaluation items are recognised in the profit and loss account and not in equity.

- **Termination benefits**

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by the Group to terminate a contract of employment before the legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for these benefits. Termination benefits due more than 12 months after the balance sheet date are discounted.

- **Post-employment benefits**

In accordance with IFRS, the BNP Paribas Group draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for the Group and do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for the Group. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these two categories is based on the economic substance of the plan, which is reviewed to determine whether the Group has a legal or constructive obligation to pay the agreed benefits to employees.

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take demographic and financial assumptions into account.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets.

The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This method takes into account various parameters, specific to each country or Group entity, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

When the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for the Group in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The annual expense recognised in the profit and loss account under "Salaries and employee benefits", with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability (asset), the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of the net defined-benefit liability (asset) are recognised in shareholders' equity and are never reclassified to profit or loss. They include actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.k SHARE-BASED PAYMENTS

Share-based payment transactions are payments based on shares issued by the Group, whether the transaction is settled in the form of equity or cash of which the amount is based on trends in the value of BNP Paribas shares.

- **Stock option and share award plans**

The expense related to stock option and share award plans is recognised over the vesting period, if the benefit is conditional upon the grantee's continued employment.

Stock options and share award expenses are recorded under salary and employee benefits expenses, with a corresponding adjustment to shareholders' equity. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account any performance conditions related to the BNP Paribas share price. The total expense of a plan is determined by multiplying the unit value per option or share awarded by the estimated number of options or shares awarded vested at the end of the vesting period, taking into account the conditions regarding the grantee's continued employment.

The only assumptions revised during the vesting period, and hence resulting in a remeasurement of the expense, are those relating to the probability that employees will leave the Group and those relating to performance conditions that are not linked to the price value of BNP Paribas shares.

- **Share price-linked cash-settled deferred compensation plans**

The expense related to these plans is recognised in the year during which the employee rendered the corresponding services.

If the payment of share-based variable compensation is explicitly subject to the employee's continued presence at the vesting date, the services are presumed to have been rendered during the vesting period and the corresponding compensation expense is recognised on a pro rata basis over that period. The expense is recognised under salary and employee benefits expenses with a corresponding liability in the balance sheet. It is revised to take into account any non-fulfilment of the continued presence or performance conditions and the change in BNP Paribas share price.

If there is no continued presence condition, the expense is not deferred, but recognised immediately with a corresponding liability in the balance sheet. This is then revised on each reporting date until settlement to take into account any performance conditions and the change in the BNP Paribas share price.

1.l PROVISIONS RECORDED UNDER LIABILITIES

Provisions recorded under liabilities (other than those relating to financial instruments, employee benefits and insurance contracts) mainly relate to restructuring, claims and litigation, fines and penalties.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted, where the impact of discounting is material, in order to determine the amount of the provision.

1.m CURRENT AND DEFERRED TAX

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in enterprises under the exclusive or joint control of the Group, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

Deferred tax assets and liabilities are offset when they arise within the same tax group, they fall under the jurisdiction of a single tax authority, and there is a legal right to offset.

As regards the assessment of uncertainty over income tax treatments, the Group adopts the following approach:

- the Group assesses whether it is probable that a taxation authority will accept an uncertain tax treatment;
- any uncertainty shall be reflected when determining the taxable profit (loss) by considering either the most likely amount (having the higher probability of occurrence), or the expected value (sum of the probability-weighted amounts).

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, except for those relating to a transaction or an event directly recognised in shareholders' equity, which are also recognised in shareholders' equity. This concerns in particular the tax effect of coupons paid on financial instruments issued by the Group and qualified as equity instruments, such as Undated Super Subordinated Notes.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense continues to be carried in the profit and loss account under "Corporate income tax".

1.n CASH FLOW STATEMENT

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks, and the net balance of interbank demand loans and deposits.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including those relating to financial investments of insurance activities and negotiable certificates of deposit.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to bonds and subordinated debt, and debt securities (excluding negotiable certificates of deposit).

1.o USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires the managers in question to exercise their judgement and to make use of information available at the date of the preparation of the financial statements when making their estimates. The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- the analysis of the cash flow criterion for specific financial assets;
- the measurement of expected credit losses. This applies in particular to the assessment of significant increase in credit risk, the models and assumptions used to measure expected credit losses, the determination of the different economic scenarios and their weighting;
- the analysis of renegotiated loans, in order to assess whether they should be maintained on the balance-sheet or derecognised;

- the assessment of an active market, and the use of internally developed models for the measurement of the fair value of financial instruments not quoted in an active market classified in "Financial assets at fair value through equity", or in "Financial instruments at fair value through profit or loss", whether as assets or liabilities, and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- the assumptions applied to assess the sensitivity to each type of market risk of the market value of financial instruments and the sensitivity of these valuations to the main unobservable inputs as disclosed in the notes to the financial statements;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- impairment tests performed on intangible assets;
- the estimation of residual assets values under simple lease agreements. These values are used as a basis for the determination of depreciation as well as any impairment;
- the deferred tax assets;
- the estimation of insurance technical reserves and policyholders' surplus reserves;
- the measurement of uncertainty over income tax treatments and other provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

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2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

2.a NET INTEREST INCOME

The BNP Paribas Group includes in "Interest income" and "Interest expense" all income and expense calculated using the effective interest method (interest, fees and transaction costs) from financial instruments measured at amortised cost and financial instruments measured at fair value through equity.

These items also include the interest income and expense of non-trading financial instruments the characteristics of which do not allow for recognition at amortised cost or at fair value through equity, as well as of financial instruments that the Group has designated as at fair value through profit or loss. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Net gain on financial instruments at fair value through profit or loss".

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In the case of a negative interest rates related to loans and receivables or deposits from customers and credit institutions, they are accounted for in interest expense or interest income respectively.

In millions of euros	Year to 31 Dec. 2021			Year to 31 Dec. 2020 restated according to IFRS 5		
	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	**24,122**	**(7,032)**	**17,090**	**24,763**	**(8,151)**	**16,612**
Deposits, loans and borrowings	21,423	(5,024)	16,399	22,268	(5,634)	16,634
Repurchase agreements	199	(56)	143	135	(87)	48
Finance leases	1,626	(101)	1,525	1,489	(94)	1,395
Debt securities	874		874	871		871
Issued debt securities and subordinated debt		(1,851)	(1,851)		(2,336)	(2,336)
Financial instruments at fair value through equity	**851**	**-**	**851**	**1,334**	**-**	**1,334**
Financial instruments at fair value through profit or loss (Trading securities excluded)	**36**	**(163)**	**(127)**	**76**	**(302)**	**(226)**
Cash flow hedge instruments	**1,982**	**(1,010)**	**972**	**2,280**	**(1,184)**	**1,096**
Interest rate portfolio hedge instruments	**2,527**	**(2,031)**	**496**	**2,716**	**(2,195)**	**521**
Lease liabilities	**-**	**(44)**	**(44)**		**(51)**	**(51)**
Total interest income/(expense)	**29,518**	**(10,280)**	**19,238**	**31,169**	**(11,883)**	**19,286**

Interest income on individually impaired loans amounted to EUR 331 million for the year ended 31 December 2021, compared to EUR 380 million for the year ended 31 December 2020.

The Group subscribed to the TLTRO III *(targeted longer-term refinancing operations)* programme, as modified by the Governing Council of the European Central Bank in March 2020 and in December 2020 (see note 4.g). The Group expects to achieve the lending performance thresholds that would enable it to benefit from a favourable interest rate (average rate of the deposit facility -50 basis points for the first two years, and average rate of the deposit facility for the following year). This floating interest rate is considered as a market rate as it is applicable to all financial institutions meeting the lending criteria defined by the European Central Bank. The effective interest rate of these financial liabilities is determined for each reference period, its two components (reference rate and margin) being adjustable. It corresponds to the nominal interest rate for each period, i.e. -1% in 2020 and 2021.

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2.b COMMISSION INCOME AND EXPENSE

In millions of euros	Year to 31 Dec. 2021			Year to 31 Dec. 2020 restated according to IFRS 5		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	4,489	(1,024)	3,465	4,034	(836)	3,198
Securities and derivatives transactions	2,363	(1,628)	735	2,215	(1,424)	791
Financing and guarantee commitments	1,152	(55)	1,097	1,132	(47)	1,085
Asset management and other services	5,912	(748)	5,164	4,881	(344)	4,537
Others	1,121	(1,220)	(99)	1,042	(1,074)	(32)
Commission income/expense	**15,037**	**(4,675)**	**10,362**	**13,304**	**(3,725)**	**9,579**
- of which net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions	*3,333*	*(357)*	*2,976*	*2,706*	*(244)*	*2,462*
- of which commission income and expense on financial instruments not measured at fair value through profit or loss	*3,129*	*(337)*	*2,792*	*3,053*	*(289)*	*2,764*

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2.c NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gain on financial instruments measured at fair value through profit or loss includes all profit and loss items relating to financial instruments held for trading, financial instruments that the Group has designated as at fair value through profit or loss, non-trading equity instruments that the Group did not choose to measure at fair value through equity, as well as debt instruments whose cash flows are not solely repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets.

These income items include dividends on these instruments and exclude interest income and expense from financial instruments designated as at fair value through profit or loss and instruments whose cash flows are not only repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets, which are presented in "Net interest income" (note 2.a).

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Financial instruments held for trading	**6,293**	**4,021**
Interest rate and credit instruments	(2,633)	4,508
Equity financial instruments	5,641	(1,582)
Foreign exchange financial instruments	2,317	597
Loans and repurchase agreements	(116)	(86)
Other financial instruments	1,084	584
Financial instruments designated as at fair value through profit or loss	**281**	**2,852**
Other financial instruments at fair value through profit or loss	**956**	**(119)**
Impact of hedge accounting	**85**	**(4)**
Fair value hedging derivatives	(2,445)	456
Hedged items in fair value hedge	2,530	(460)
Net gain on financial instruments at fair value through profit or loss	**7,615**	**6,750**

Gains and losses on financial instruments designated as at fair value through profit or loss are mainly related to instruments which changes in value may be compensated by changes in the value of economic hedging derivative financial instruments held for trading.

Net gain on financial instruments held for trading in 2021 and 2020 include a non-material amount related to the ineffective portion of cash flow hedges.

Potential sources of ineffectiveness can be the differences between hedging instruments and hedged items, notably generated by mismatches in the terms of hedged and hedging instruments, such as the frequency and timing of interest rates resetting, the frequency of payments and the discounting factors, or when hedging derivatives have a non-zero fair value at inception date of the hedging relationship. Credit valuation adjustments applied to hedging derivatives are also sources of ineffectiveness.

Cumulated changes in fair value related to discontinued cash flow hedge relationships, previously recognised in equity and included in 2021 in profit and loss accounts are not material, whether the hedged item ceased to exist or not.

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2.d NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Net gain on debt instruments	58	149
Dividend income on equity instruments	106	53
Net gain on financial instruments at fair value through equity	**164**	**202**

Interest income from debt instruments is included in note 2.a *Net interest income*, and impairment losses related to potential issuer default are included in note 2.h *Cost of risk*.

Unrealised gains and losses on debt securities previously recorded under "Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss" and included in the pre-tax income, amount to a gain of EUR 119 million for the year ended 31 December 2021, compared with EUR 95 million for the year ended 31 December 2020.

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2.e NET INCOME FROM INSURANCE ACTIVITIES

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
Premiums earned	27,619	21,259
Net gain from investment contracts with discretionary participation feature and other services	12	49
Net income from financial investments	14,503	4,610
Technical charges related to contracts	(35,848)	(19,664)
Net charges from ceded reinsurance	(215)	(158)
External services expenses	(1,739)	(1,982)
Net income from insurance activities	**4,332**	**4,114**

- **Net income from financial investments**

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
Net gain on available-for-sale financial assets	3,082	2,809
Interest income and dividends	*2,634*	*2,752*
Additions to impairment provisions	*(10)*	*(338)*
Net disposal gains	*458*	*395*
Net gain on financial instruments at fair value through profit or loss	11,163	1,523
Net gain on financial instruments at amortised cost	118	124
Investment property income	142	168
Share of earnings of equity-method investments	1	(5)
Other expense	(3)	(9)
Net income from financial investments	**14,503**	**4,610**

2.f NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2021			Year to 31 Dec. 2020 restated according to IFRS 5		
	Income	Expense	Net	Income	Expense	Net
Net income from investment property	103	(43)	60	93	(54)	39
Net income from assets held under operating leases	12,426	(10,525)	1,901	10,754	(9,139)	1,615
Net income from property development activities	988	(777)	211	679	(574)	105
Other net income	1,965	(2,084)	(119)	1,641	(1,588)	53
Total net income from other activities	**15,482**	**(13,429)**	**2,053**	**13,167**	**(11,355)**	**1,812**

2.g OTHER OPERATING EXPENSES

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
External services and other operating expenses	(8,712)	(8,384)
Taxes and contributions [1]	(1,993)	(1,917)
Total other operating expenses	**(10,705)**	**(10,301)**

[1] Contributions to European resolution fund, including exceptional contributions, amount to EUR 967 million for year ended 31 December 2021 compared with EUR 760 million for the year ended 31 December 2020.

2.h COST OF RISK

The general model for impairment described in note 1.e.5 used by the Group relies on the following two steps:

- assessing whether there has been a significant increase in credit risk since initial recognition, and
- measuring impairment allowance as either 12-month expected credit losses or lifetime expected credit loss (i.e. loss expected at maturity).

Both steps shall rely on forward looking information.

Significant increase in credit risk

The assessment of increase in credit risk is done at instrument level based on indicators and thresholds that vary depending on the nature of the exposure and the type of the counterparty.

The internal credit rating methodology used by the Group will be described in chapter 5 of the Universal Registration Document (section 5.4 Credit risk).

- *Wholesale (Corporates / Financial institutions / Sovereigns) and bonds*

The indicator used for assessing increase in credit risk is the internal counterparty rating of the obligor of the facility.

The deterioration in credit quality is considered significant, and the facility is therefore placed in stage 2, if the difference between the counterparty rating at origination and the one as at the reporting date is equal or superior to 3 notches (for instance, a downgrade from 4- to 5-).

The low risk expedient permitted by IFRS 9 (i.e. whereby bonds with an investment grade rating at reporting date are considered as stage 1, and bonds with a non-investment grade rating at reporting date are considered as stage 2) is used only for debt securities for which no ratings are available at acquisition date .

- *SME Corporates facilities and Retail*

As far as SME Corporates exposures are concerned, the indicator used for assessing increase in credit risk is also the internal counterparty rating of the obligor of the facility. Due to a higher volatility in the rating system applied, deterioration is considered significant, and the facility is therefore placed in stage 2, if the difference between the counterparty rating at origination and the one as at the reporting date is equal or superior to 6 notches.

For retail exposures, two alternative risk indicators of increase in credit risk can be taken into consideration:

- probability of default (PD): changes in the 1-year probability of default are considered as a reasonable approximation of changes in the lifetime probability of default. Deterioration in credit quality is considered significant, and the facility is therefore placed in stage 2, if the ratio (1 year PD at the reporting date / 1 year PD at origination) is higher than 4.
- existence of a past due within the last 12 months: in the consumer credit specialised business, the existence of a past due that has occurred within the last 12 months, even if regularised since, is considered as a significant deterioration in credit risk and the facility is therefore placed into stage 2.

Furthermore, for all portfolios (except consumer loan specialised business):

- the facility is assumed to be in stage 1 when its rating is better than or equal to 4- (or its 1 year PD is below or equal to 0.25%) at reporting date, since changes in PD related to downgrades in this zone are less material, and therefore not considered as “significant”.

- when the rating is worse than or equal to 9+ (or the 1 year PD is above 10%) at reporting date considering the Group's practice in terms of credit origination, it is considered as significantly deteriorated and therefore placed into stage 2 (as long as the facility is not credit-impaired).

As a backstop, when an asset becomes 30 days past due, the credit risk is deemed to have increased significantly since initial recognition and the asset is therefore placed into stage 2.

Forward Looking Information

The Group considers forward-looking information both when assessing significant increase in credit risk and when measuring Expected Credit Losses (ECL).

Regarding the assessment of significant increase in credit risk, beyond the rules based on the comparison of risk parameters between initial recognition and reporting date ("see *significant increase in credit risk*" section), the determination of significant increase in credit risk is supplemented by the consideration of more systemic forward-looking factors (such as macroeconomic, sectorial and geographical risk drivers) that could increase the credit risk of some exposures. These factors can lead to tighten the transfer criteria into stage 2, resulting in an increase of ECL amounts for exposures deemed vulnerable to these forward-looking drivers. Thus, for loans that have not experienced a significant deterioration in credit quality since origination, this mechanism may lead to the classification of facilities in stage 2 in anticipation of a future downgrade of their individual rating beyond the deterioration threshold, in relation to the macroeconomic outlook of their sector.

Regarding the measurement of expected credit losses, the Group has made the choice to use 3 macroeconomic scenarios by geographic area covering a wide range of potential future economic conditions:

- a baseline scenario, consistent with the scenario used for budgeting,
- an adverse scenario, corresponding to the scenario used quarterly in Group stress tests,
- a favourable scenario, capturing situations where the economy performs better than anticipated.

The link between the macroeconomic scenarios and the ECL measurement is mainly achieved through a modelling of the probabilities of default and deformation of migration matrices based on internal rating (or risk parameter). The probabilities of default determined according to these scenarios are used to measure expected credit losses in each of these situations.

The weighting of the expected credit losses under each scenario is performed as follows:

- 50% for the baseline scenario,
- the weight of the two alternative scenarios is defined according to the position in the credit cycle. In this approach, the adverse scenario carries a higher weight in the situations at the upper end of the cycle than in the situations at the lower end of the cycle, in anticipation of a potential downturn in the economy.

In addition, when appropriate, the ECL measurement can take into account scenarios of sale of the assets.

Macroeconomic scenarios

The three macroeconomic scenarios are defined over a three-year projection horizon. They correspond to:

- a baseline scenario which describes the most likely path of the economy over the projection horizon. This scenario is updated on a quarterly basis and is prepared by the Group Economic Research department in collaboration with various experts within the Group. Projections are designed for each key market of the Group (France, Belgium, Italy, the United States and the eurozone) using key macroeconomic variables (Gross Domestic Product - GDP - and its components, unemployment rate, consumer prices, interest rates, foreign exchange rates, oil prices, real estate prices, *etc.*) which are key drivers for modeling risk parameters used in the stress test process.

  As from 31 December 2020, in addition to the geographic breakdown, prospective parameters are detailed at sector level to better reflect the heterogeneity of economic trajectories in conjunction with lockdown measures or the partial interruption in activity;

- an adverse scenario which describes the impact of the materialisation of some of the risks weighing on the baseline scenario, resulting in a much less favourable economic path than in the baseline scenario. The starting point consists of a shock to GDP. This shock is applied with variable magnitudes, but at the same time to economies as the crisis is considered to be a global crisis. Generally, these assumptions are broadly consistent with those proposed by the regulators. The calibration of shocks on other variables (unemployment, consumer prices, interest rates) is based on models and expert judgment;

- a favourable scenario which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a much more favourable economic path. To achieve an unbiased estimation of provisions, the favourable scenario is designed in such a way that the probability of the shock to GDP growth (on average over the cycle) is equal to the probability of the corresponding shock in the adverse scenario. The magnitude of favourable GDP shocks generally corresponds to 80%-95% of the magnitude of adverse GDP shocks. Other variables (unemployment, inflation, interest rates) are defined in the same way as in the adverse scenario. Since 30 June 2021, the favourable shocks to activity were substantially reduced. Most of the positive events, previously included in the favourable scenario, are now included in the baseline scenario. Furthermore, any stronger-than-expected rebound compared to the central scenario would be limited by constraints on the factors of production.

Factoring the specific features of the health crisis in the baseline scenario

After a historical drop in 2020, reflecting the strict containment measures implemented by governments in response to the increase in coronavirus cases, activity has rebounded sharply in 2021, reflecting (i) a mechanical catch-up, (ii) government and central bank support measures, and (iii) positive developments in terms of vaccine rollout.

The magnitude of the rebound has notably varied among economies depending on the improvement in the health situation and the extent of fiscal measures. After a marked improvement in 2021, the pace of growth is expected to normalise from 2022 onwards. Activity is expected to return to its pre-crisis level between the fourth quarter of 2021 and the first half of 2022 in most mature economies.

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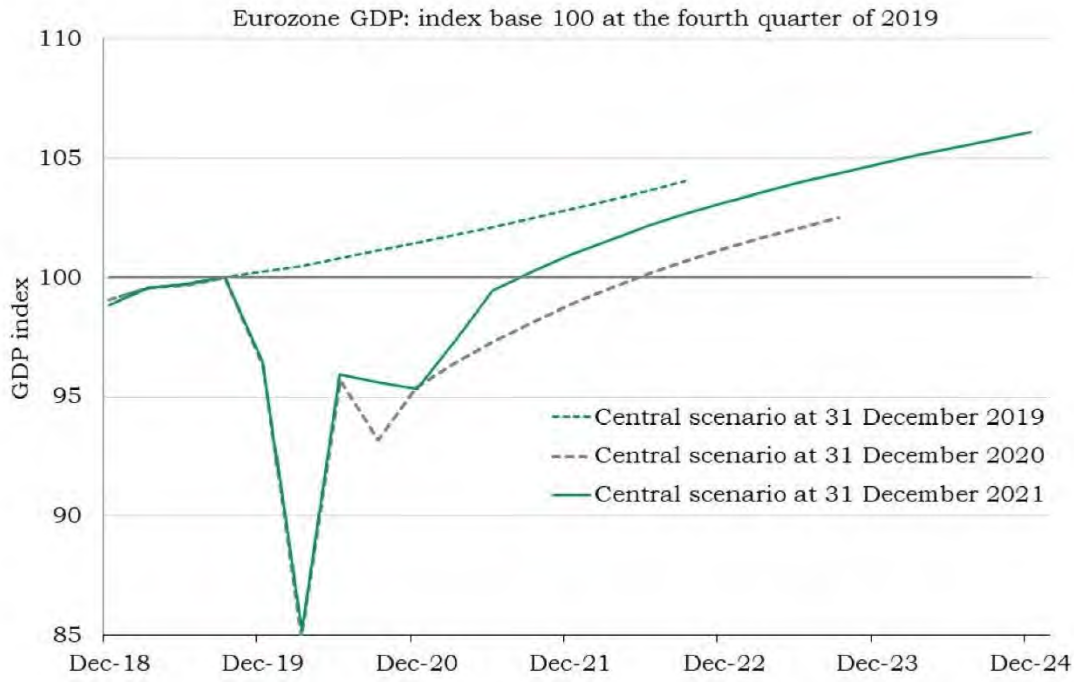
The graph below presents a comparison between GDP projections used in the baseline scenario for the calculation of ECLs as at 31 December of the years 2019, 2020, and 2021.



- **GDP growth rate, central scenario as at 31 December 2021** (annual average of quarterly projections)

	2021	2022	2023	2024
Eurozone	5.1%	3.8%	1.9%	1.5%
France	6.7%	3.5%	1.6%	1.4%
Italy	6.2%	3.0%	1.0%	0.7%
Belgium	6.0%	3.0%	1.4%	1.3%
United States	5.4%	3.2%	2.5%	2.2%

- **10-year sovereign bond yields, central scenario as at 31 December 2021** (annual average)

	2021	2022	2023	2024
Germany	-0.33%	-0.08%	0.03%	0.05%
France	-0.04%	0.26%	0.33%	0.35%
Italy	0.73%	1.03%	1.13%	1.18%
Belgium	-0.05%	0.23%	0.33%	0.35%
United States	1.45%	1.85%	2.05%	2.10%

Adverse Scenario

The adverse scenario supposes the materialisation of certain risks for the economy, resulting in a much less favourable economic path than in the baseline scenario.

Despite the improvement in the health situation observed in recent quarters, the emergence of possibly more virulent forms of the coronavirus could have a more marked impact on activity than expected in the central scenario. In addition, supply disruptions and reduced supportive fiscal measures could have negative effects in certain sectors and economies.

The following risks appear strengthened in the context of the health crisis:

- **Possible negative effects on demand**: the pandemic could have more lasting consequences (some permanently affected sectors, deteriorated public finances, sharp rise in private debt in some economies) and short-term developments (unemployment, bankruptcies, *etc.*) could be less favourable than expected as governments put an end to measures aimed at helping households and businesses during the crisis. Such developments could weigh on demand.
- **Pressure on financial institutions' profitability:** some borrowers may experience difficulties in repaying their debt with the withdrawal of government support measures. In addition, possible financial turbulence and still extremely low interest rates might weigh on banking profitability and credit availability.
- **Market corrections:** market corrections could affect some financial and real estate markets, given sometimes very favourable developments in asset values in the aftermath of the health crisis, notably reflecting supportive monetary and fiscal policies.
- **Tensions related to public finances:** given the extent of the contraction in activity and the amount of fiscal support provided by governments to compensate for this major shock to activity, debt-to-GDP ratios have substantially increased in some countries and often reached unprecedented levels. Although current extremely accommodating monetary policies are limiting this risk now, a sharp deterioration in public finance metrics could lead to future tensions on the financial markets and austerity measures in certain countries. Such developments could lead to a knock-on negative effect on activity. While the euro area looks more exposed to this risk than other areas for structural reasons, the ECB has shown in recent years that it has tools to limit the magnitude of such potential shocks.
- **Further difficulties in China:** following the health crisis, additional difficulties cannot be excluded, either in terms of activity or on other fronts (e.g. public finances, difficulties in the real estate markets, political tensions). Given the weight of the Chinese economy, these difficulties could impact global financial markets, global trade and commodities prices.
- **Difficulties in emerging markets:** some emerging markets are under pressure for various reasons (e.g. domestic economic imbalances and political tensions, deteriorating international relationships) and the health crisis may have added to these fragilities (delayed vaccination campaigns compared to mature economies). Argentina, Brazil, Hong Kong and Turkey are among large emerging markets that are worth monitoring.

Other risks, not directly linked to the health crisis, are also embedded in the adverse scenario:

- **Trade risks:** disagreements between the United States and China on geopolitical issues, intellectual property protection, technology transfers or industrial policies are likely to persist. Following the health crisis, the United States and other mature economies are also likely to try to become less reliant on China in some areas deemed strategic. Tensions related to trade and globalisation are therefore likely to remain or even worsen.
- **Geopolitical risks:** Tensions, in the Middle East and East Asia, have in particular the potential to weigh on the global economy through shocks to commodity prices, financial markets, and business confidence.

It is assumed that these latent risks materialise from the first quarter of 2022.

Among considered countries, GDP levels in the adverse scenario stand between 5.8% and 12.2% lower than in the baseline scenario at the end of the shock period (three years), at 31 December 2021 (same as at 31 December 2020). In particular, this deviation reaches 7.1% on average in the Euro zone and 5.8% in the United States.

Scenario weighting and cost of risk sensitivity

At 31 December 2021, the weighting of the Group's scenarios is at 28% for the adverse and 22% for the favourable scenarios (versus 16% for the adverse scenario and 34% for the favourable scenario at 31 December 2020), reflecting a position close to equilibrium in the credit cycle.

The sensitivity of the amount of expected credit losses for all financial assets at amortised cost or at fair value through equity and credit commitments is assessed by comparing the estimated expected credit losses resulting from the weighting of the above scenarios with that resulting from each of the two alternative scenarios:

- an increase in ECL of 17%, or EUR 900 million according to the adverse scenario (14% as at 31 December 2020);
- a decrease in ECL of 13%, or EUR 700 million according to the favourable scenario (8% as at 31 December 2020).

Adaptation of the ECL assessment process to factor in the specific nature of the health crisis:

Macroeconomic scenarios provisioning the models:

The measurement of the impact of macroeconomic scenarios on expected credit losses has been adjusted to reflect the specificities of the current health crisis. Given the exceptional nature of the shock linked to the temporary lockdown measures and strong support provided by governments and central banks, macroeconomic parameters for each country or geographic area included in the pre-existing models (calibrated on past crises) have been adapted in order to extract the information on the medium-term impacts on macroeconomic environment and thus minimize excessive short-term volatility.

In 2020, the medium-term perspective adopted for the baseline scenario reduced the loss of income for the eurozone by an amount much lower than that of governments and European Central Bank support measures. Conversely, it has led to a moderation in the favourable impacts of the economic rebounds observed in 2021.

Post-model adjustments:

Conservative adjustments were also taken into account when the models used were based on indicators that show unusual levels in the context of the health crisis and the support programmes, such as the increase in deposits and the decrease in past due events for retail customers and entrepreneurs.

In 2020, for the consumer finance business, projections of migration to default had been adapted in order to reflect, by country, the specific characteristics of this client segment. Furthermore, a conservative adjustment had been considered for loans that have benefitted from a moratorium.

These adjustments represent 4.8% of the total amount of expected credit losses as at 31 December 2021, compared to 5.5% as at 31 December 2020.

Moratoria and state guarantees:

For the new loans secured by a state guarantee (mostly in France and Italy), the computation of expected credit losses has been adjusted accordingly.

Besides, the absence of a general maturity extension scheme for individuals, notably in France, led to classify as forborne the loans that benefited from accompanying measures that were not initially provided for under the contract. However, these measures were not considered as an automatic criterion for transfer to stage 2.

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- **Cost of credit risk for the period**

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*	Year to 31 Dec. 2020 *including discontinued activities*
Net allowances to impairment	(2,591)	(4,960)	(5,358)
Recoveries on loans and receivables previously written off	321	369	457
Losses on irrecoverable loans	(701)	(804)	(816)
Total cost of risk for the period	**(2,971)**	**(5,395)**	**(5,717)**

Cost of risk for the period by accounting categories and asset type

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Cash and balances at central banks	(8)	(5)
Financial instruments at fair value through profit or loss	6	(181)
Financial assets at fair value through equity	(6)	(6)
Financial assets at amortised cost	(2,779)	(4,965)
Loans and receivables	*(2,763)*	*(4,931)*
Debt securities	*(16)*	*(34)*
Other assets	12	(17)
Financing and guarantee commitments and other items	(196)	(221)
Total cost of risk for the period	**(2,971)**	**(5,395)**
Cost of risk on unimpaired assets and commitments	*(17)*	*(1,216)*
of which stage 1	*268*	*(769)*
of which stage 2	*(285)*	*(447)*
Cost of risk on impaired assets and commitments - stage 3	*(2,954)*	*(4,179)*

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- **Credit risk impairment**

Change in impairment by accounting category and asset type during the period

In millions of euros	31 December 2020	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other	31 December 2021
Assets impairment					
Amounts due from central banks	17	9		(8)	18
Financial instruments at fair value through profit or loss	148	(20)		(7)	121
Impairment of assets at fair value through equity	132	6		2	140
Financial assets at amortised cost	21,704	2,438	(3,867)	(79)	20,196
Loans and receivables	*21,546*	*2,421*	*(3,867)*	*(72)*	*20,028*
Debt securities	*158*	*17*		*(7)*	*168*
Other assets	104	(15)	(29)	(1)	59
Total impairment of financial assets	**22,105**	**2,418**	**(3,896)**	**(93)**	**20,534**
of which stage 1	*2,379*	*(219)*	*(8)*	*(261)*	*1,891*
of which stage 2	*3,166*	*176*	*(6)*	*(588)*	*2,748*
of which stage 3	*16,560*	*2,461*	*(3,882)*	*756*	*15,895*
Provisions recognised as liabilities					
Provisions for commitments	964	60	(1)	(65)	958
Other provisions	383	113	(52)	23	467
Total provisions recognised for credit commitments	**1,347**	**173**	**(53)**	**(42)**	**1,425**
of which stage 1	*319*	*(55)*		*(34)*	*230*
of which stage 2	*297*	*100*		*(23)*	*374*
of which stage 3	*731*	*128*	*(53)*	*15*	*821*
Total impairment and provisions	**23,452**	**2,591**	**(3,949)**	**(135)**	**21,959**

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Change in impairment by accounting category and asset type during the previous period

In millions of euros	31 December 2019	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other	31 December 2020
Assets impairment					
Amounts due from central banks	15	5		(3)	17
Financial instruments at fair value through profit or loss	149	151	(120)	(32)	148
Impairment of assets at fair value through equity	141	7	(11)	(5)	132
Financial assets at amortised cost	21,411	4,961	(3,392)	(1,276)	21,704
Loans and receivables	*21,277*	*4,927*	*(3,391)*	*(1,267)*	*21,546*
Debt securities	*134*	*34*	*(1)*	*(9)*	*158*
Other assets	90	20	(3)	(3)	104
Total impairment of financial assets	**21,806**	**5,144**	**(3,526)**	**(1,319)**	**22,105**
of which stage 1	*1,676*	*793*	*(12)*	*(78)*	*2,379*
of which stage 2	*3,145*	*414*	*(15)*	*(378)*	*3,166*
of which stage 3	*16,985*	*3,937*	*(3,499)*	*(863)*	*16,560*
Provisions recognised as liabilities					
Provisions for commitments	818	212	(24)	(42)	964
Other provisions	416	2	(36)	1	383
Total provisions recognised for credit commitments	**1,234**	**214**	**(60)**	**(41)**	**1,347**
of which stage 1	*259*	*78*		*(18)*	*319*
of which stage 2	*225*	*80*		*(8)*	*297*
of which stage 3	*750*	*56*	*(60)*	*(15)*	*731*
Total impairment and provisions	**23,040**	**5,358**	**(3,586)**	**(1,360)**	**23,452**

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Change in impairment of amortised cost financial assets during the period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2020	**2,343**	**3,142**	**16,219**	**21,704**
Net allowance to impairment	**(216)**	**168**	**2,486**	**2,438**
Financial assets purchased or originated during the period	608	242		850
Financial assets derecognised during the period [1]	(353)	(295)	(896)	(1,544)
Transfer to stage 2	(190)	1,726	(393)	1,143
Transfer to stage 3	(22)	(598)	1,837	1,217
Transfer to stage 1	117	(724)	(45)	(652)
Other allowances / reversals without stage transfer [2]	(376)	(183)	1,983	1,424
Impairment provisions used	**(8)**	**(6)**	**(3,853)**	**(3,867)**
Changes in exchange rate	**(1)**	**(32)**	**95**	**62**
Changes in scope of consolidation and other items	**(28)**	**(355)**	**739**	**356**
Reclassification of assets held for sale	**(223)**	**(203)**	**(71)**	**(497)**
At 31 December 2021	**1,867**	**2,714**	**15,615**	**20,196**

[1] including disposals

[2] including amortisation

The reclassification of assets held for sale reflects the effect valued as at 1 January 2021.

The line "Changes in scope of consolidation and other items" includes the effect of the alignment with the 28 September 2016 EBA guidelines related to the definition of default for consumer finance business.

The "Other allowances / reversals without stage transfer" on stage 1 and 2 are particularly affected by the effects on the expected credit losses calculation of the evolution of the projections reflected in the macroeconomic scenarios for 2020 and 2021.

Change in impairment of amortised cost financial assets during the previous period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2019	**1,641**	**3,123**	**16,647**	**21,411**
Net allowance to impairment	**788**	**408**	**3,765**	**4,961**
Financial assets purchased or originated during the period	605	372		977
Financial assets derecognised during the period [1]	(346)	(619)	(607)	(1,572)
Transfer to stage 2	(154)	2,035	(412)	1,469
Transfer to stage 3	(24)	(764)	2,524	1,736
Transfer to stage 1	116	(818)	(64)	(766)
Other allowances / reversals without stage transfer [2]	591	202	2,324	3,117
Impairment provisions used	**(12)**	**(15)**	**(3,365)**	**(3,392)**
Changes in exchange rate	**(63)**	**(102)**	**(461)**	**(626)**
Changes in scope of consolidation and other items	**(11)**	**(272)**	**(367)**	**(650)**
At 31 December 2020	**2,343**	**3,142**	**16,219**	**21,704**

[1] including disposals

[2] including amortisation

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2.i NET GAIN ON NON-CURRENT ASSETS

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
Net gain on investments in consolidated undertakings	355	268
Net gain on tangible and intangible assets	479	762
Net gain on non-current assets	**834**	**1,030**

The net gain on non-current assets mainly results from the partial disposal of Allfunds Group Plc for EUR 444 million in 2021, and the disposal on properties for EUR 486 million in 2021 and EUR 712 million in 2020.

2.j CORPORATE INCOME TAX

Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France	Year to 31 Dec. 2021		Year to 31 Dec. 2020 restated according to IFRS 5	
	in millions of euros	tax rate	in millions of euros	tax rate
Corporate income tax expense on pre-tax income at standard tax rate in France (1)	**(3,454)**	**28.4%**	**(2,853)**	**32.0%**
Impact of differently taxed foreign profits	201	-1.7%	389	-4.4%
Impact of dividends and disposals taxed at reduced rate	153	-1.3%	170	-1.9%
Impact of the non-deductibility of taxes and bank levies (2)	(253)	2.1%	(240)	2.7%
Impact of previously unrecognised deferred taxes (tax losses and temporary differences)	-	-	94	-1.1%
Other items	(231)	2.0%	139	-1.5%
Corporate income tax expense from continuing activities	**(3,584)**	**29.5%**	**(2,301)**	**25.8%**
Current tax expense for the year to 31 December	*(2,806)*		*(2,217)*	
Deferred tax expense for the year to 31 December (note 4.k)	*(778)*		*(84)*	

(1) Restated for the share of profits in equity-method entities and goodwill impairment.

(2) Contribution to the Single Resolution Fund and other non-deductible banking taxes.

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3. SEGMENT INFORMATION

The Group is composed of two operating divisions:

- Retail Banking and Services, which covers Domestic Markets and International Financial Services. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions, Arval and New Digital Businesses). International Financial Services is composed of all BNP Paribas Group retail banking businesses out of the eurozone, split between Europe Mediterranean and BancWest in the United States, as well as Personal Finance and the Insurance and Wealth and Asset Management activities (Wealth Management, Asset Management and Real Estate);
- Corporate and Institutional Banking (CIB), which includes Corporate Banking (Europe, Middle East, Africa, Asia, Americas, and Corporate Finance activities), Global Markets (Fixed Income, Currency and Commodities, as well as Equity and Prime Services), and Securities Services to management companies, financial institutions and other corporations.

Other activities mainly include Principal Investments, activities related to the Group's central treasury function, some costs related to cross-business projects, the residential mortgage lending business of Personal Finance (a significant part of which is managed in run-off), and certain investments.

They also include non-recurring items resulting from applying the rules on business combinations. In order to provide consistent and relevant economic information for each core business, the impact of amortising fair value adjustments recognised in the net equity of entities acquired and restructuring costs incurred in respect to the integration of entities, have been allocated to the "Other Activities" segment. The same applies to transformation and adaptation costs relating to the Group's cross-business savings programmes.

Inter-segment transactions are conducted at arm's length. The segment information presented comprises agreed inter-segment transfer prices.

The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity. The equity allocation to segments is based on 11 % of weighted assets. The breakdown of balance sheet by core business follows the same rules as the breakdown of the profit or loss by core business.

The information and financial elements contained in this note reflect an operational view and include BancWest's activity within the various income statement aggregates. A separate line reconciles the operational view with the one impacted by the application of IFRS 5.

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- **Income by business segment**

In millions of euros	Year to 31 Dec. 2021						Year to 31 Dec. 2020					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking & Services												
Domestic Markets												
French Retail Banking (1)	**5,981**	(4,412)	(428)	**1,141**	37	**1,178**	**5,667**	(4,353)	(487)	**827**	38	**865**
BNL banca commerciale (1)	**2,591**	(1,727)	(488)	**376**		**376**	**2,586**	(1,697)	(524)	**365**	(2)	**363**
Belgian Retail Banking (1)	**3,340**	(2,270)	(100)	**970**	19	**989**	**3,267**	(2,307)	(230)	**731**	31	**762**
Other Domestic Markets activities (1)	**3,825**	(2,065)	(157)	**1,603**	6	**1,608**	**3,412**	(1,911)	(205)	**1,297**	(13)	**1,284**
International Financial Services												
Personal Finance	**5,216**	(2,817)	(1,314)	**1,085**	78	**1,163**	**5,485**	(2,756)	(1,997)	**732**	(61)	**672**
International Retail Banking												
Europe-Mediterranean (1)	**1,926**	(1,596)	(145)	**184**	181	**366**	**2,346**	(1,704)	(437)	**206**	187	**392**
BancWest (1)	**2,361**	(1,654)	45	**752**	19	**771**	**2,399**	(1,685)	(322)	**392**	()	**392**
Insurance	**2,827**	(1,536)	(1)	**1,289**	79	**1,368**	**2,725**	(1,463)	(1)	**1,261**	121	**1,382**
Wealth and Asset Management	**3,422**	(2,628)	(12)	**782**	169	**951**	**2,982**	(2,510)	(17)	**455**	128	**583**
Corporate & Institutional Banking												
Corporate Banking	**5,087**	(2,639)	(201)	**2,247**	11	**2,259**	**4,727**	(2,623)	(1,308)	**796**	9	**806**
Global Markets	**6,820**	(4,887)	27	**1,960**	19	**1,979**	**6,819**	(4,452)	(117)	**2,250**	4	**2,254**
Securities Services	**2,329**	(1,874)	1	**457**	27	**484**	**2,217**	(1,845)	1	**373**	21	**394**
Other Activities	**512**	(1,007)	(153)	**(647)**	792	**144**	**(358)**	(890)	(72)	**(1,321)**	994	**(327)**
Total Group	46,235	(31,111)	(2,925)	12,199	1,438	13,637	44,275	(30,194)	(5,717)	8,364	1,458	9,822
Reclassification of discontinued activities (note 7.d)	(2,473)	1,645	(46)	(874)	(19)	(893)	(2,496)	1,689	322	(485)	-	(485)
Total continuing activities (2)	43,762	(29,466)	(2,971)	11,325	1,419	12,744	41,779	(28,505)	(5,395)	7,979	1,458	9,337

(1) French Retail Banking, BNL banca commerciale, Belgian Retail Banking, Luxembourg Retail Banking, Europe-Mediterranean and BancWest after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Turkey, Poland and the United States.

(2) Year to 31 Dec. 2020 restated according to IFRS 5.

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- **Net commission income by business segment, including fees accounted for under « Net income from insurance activities »**

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Retail Banking & Services		
Domestic Markets		
French Retail Banking [(1)]	2,677	2,461
BNL banca commerciale [(1)]	1,071	991
Belgian Retail Banking [(1)]	981	877
Other Domestic Markets activities [(1)]	614	553
International Financial Services		
Personal Finance	750	831
International Retail Banking	849	787
Europe Mediterranean [(1)]	*467*	*470*
BancWest [(1)]	*382*	*317*
Insurance	(3,072)	(3,203)
Wealth and Asset Management	2,441	2,063
Corporate & Institutional Banking		
Corporate Banking	2,199	2,061
Global Markets	(891)	(835)
Securities Services	1,458	1,317
Other activities	(43)	26
Total Group	**9,034**	**7,930**

[(1)] French Retail Banking, BNL banca commerciale, Belgian Retail Banking, Luxembourg Retail Banking, Europe-Mediterranean and BancWest after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Turkey, Poland and the United States.

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- **Assets and liabilities by business segment**

In millions of euros	31 December 2021		31 December 2020	
	Asset	Liability	Asset	Liability
Retail Banking & Services				
Domestic Markets	**582,463**	**619,611**	**555,556**	**588,095**
French Retail Banking	218,249	250,094	212,821	235,018
BNL banca commerciale	94,229	92,427	89,638	87,647
Belgian Retail Banking	188,732	204,867	180,371	201,786
Other Domestic Markets activities	81,253	72,223	72,726	63,644
International Financial Services	**552,522**	**491,392**	**520,533**	**466,272**
Personal Finance	90,753	23,507	90,152	22,848
International Retail Banking	145,625	131,837	131,893	124,023
Europe-Mediterranean	*57,323*	*51,206*	*57,584*	*51,689*
BancWest	*88,302*	*80,631*	*74,309*	*72,334*
Insurance	280,766	262,238	265,356	249,967
Wealth and Asset Management	35,378	73,810	33,132	69,434
Corporate and Institutional Banking	**1,098,288**	**1,232,312**	**1,032,269**	**1,157,842**
Other Activities	**401,171**	**291,129**	**380,133**	**276,282**
Total Group	**2,634,444**	**2,634,444**	**2,488,491**	**2,488,491**

Information by business segment relating to goodwill is presented in note 4.o Goodwill.

- **Information by geographic area**

The geographic split of segment results, assets and liabilities is based on the region in which they are recognised for accounting purposes, adjusted as per the managerial origin of the business activity. It does not necessarily reflect the counterparty's nationality or the location of operational businesses.

- Revenues by geographic area including net income from discontinued activities

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Europe	34,750	31,957
North America	5,458	5,719
Asia & Pacific	3,576	3,799
Others	2,451	2,800
Total Group	**46,235**	**44,275**

- Assets and liabilities, in contribution to the consolidated accounts, by geographic area

In millions of euros	31 December 2021	31 December 2020
Europe	2,139,434	2,016,720
North America	284,470	256,966
Asia & Pacific	166,160	167,526
Others	44,380	47,279
Total Group	**2,634,444**	**2,488,491**

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4. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2021

4.a FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities at fair value through profit or loss consist of held-for-trading transactions - including derivatives -, of certain liabilities designated by the Group as at fair value through profit or loss at the time of issuance and of non-trading instruments which characteristics prevent their accounting at amortised cost or at fair value through equity.

In millions of euros	31 December 2021				31 December 2020			
	Financial instruments held for trading	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total	Financial instruments held for trading	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total
Securities	181,079	2,898	7,530	191,507	160,632	347	6,948	167,927
Loans and repurchase agreements	247,507		2,301	249,808	243,938		940	244,878
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**428,586**	**2,898**	**9,831**	**441,315**	**404,570**	**347**	**7,888**	**412,805**
Securities	112,338			112,338	94,263			94,263
Deposits and repurchase agreements	291,577	1,879		293,456	286,741	1,854		288,595
Issued debt securities (note 4.h)		70,383		70,383		64,048		64,048
of which subordinated debt		*947*		*947*		*851*		*851*
of which non subordinated debt		*62,334*		*62,334*		*56,882*		*56,882*
of which debt representative of shares of consolidated funds held by third parties		*7,102*		*7,102*		*6,315*		*6,315*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**403,915**	**72,262**		**476,177**	**381,004**	**65,902**		**446,906**

Detail of these assets and liabilities is provided in note 4.d.

- **Financial liabilities designated as at fair value through profit or loss**

Financial liabilities at fair value through profit or loss mainly consist of issued debt securities, originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of issued debt securities contain significant embedded derivatives, which changes in value may be compensated by changes in the value of economic hedging derivatives.

The redemption value of debt issued and designated as at fair value through profit or loss at 31 December 2021 was EUR 59,958 million (EUR 60,065 million at 31 December 2020).

- **Other financial assets measured at fair value through profit or loss**

Other financial assets at fair value through profit or loss are financial assets not held for trading:

- Debt instruments that do not meet the criteria defined by IFRS 9 to be classified as financial instruments at "fair value through equity" or at "amortised cost":
  - Their business model is not to "collect contractual cash flows" nor "collect contractual cash flows and sell the instruments"; and/or
  - Their cash flows are not solely repayments of principal and interest on the principal amount outstanding.
- Equity instruments that the Group did not choose to classify as at "fair value through equity".

DERIVATIVE FINANCIAL INSTRUMENTS

The majority of derivative financial instruments held for trading are related to transactions initiated for trading purposes. They may result from market-making or arbitrage activities. BNP Paribas actively trades in derivatives. Transactions include trades in "ordinary" instruments such as credit default swaps, and structured transactions with complex risk profiles tailored to meet the needs of its customers. The net position is in all cases subject to limits.

Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which the Group has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS.

	31 December 2021		31 December 2020	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	119,219	107,490	151,201	142,509
Foreign exchange derivatives	75,314	75,694	83,246	85,298
Credit derivatives	8,371	8,451	8,152	8,666
Equity derivatives	24,217	35,071	29,271	42,134
Other derivatives	13,302	10,691	4,909	4,001
Derivative financial instruments	**240,423**	**237,397**	**276,779**	**282,608**

The table below shows the total notional amount of trading derivatives. The notional amounts of derivative instruments are merely an indication of the volume of the Group's activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

	31 December 2021				31 December 2020			
In millions of euros	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	1,319,006	9,761,179	4,846,327	15,926,512	1,338,251	8,962,795	4,569,738	14,870,784
Foreign exchange derivatives	56,415	133,330	6,873,623	7,063,368	26,929	94,633	5,507,868	5,629,430
Credit derivatives		392,338	545,919	938,257		376,689	558,222	934,911
Equity derivatives	799,005		506,164	1,305,169	697,858		461,793	1,159,651
Other derivatives	107,162		92,077	199,239	70,830		54,494	125,324
Derivative financial instruments	**2,281,588**	**10,286,847**	**12,864,110**	**25,432,545**	**2,133,868**	**9,434,117**	**11,152,115**	**22,720,100**

In the framework of its *Client Clearing* activity, the Group guarantees the risk of default of its clients to central counterparties. The corresponding notional amount is EUR 1,050 billion as at 31 December 2021 (EUR 749 billion as at 31 December of 2020).

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4.b DERIVATIVES USED FOR HEDGING PURPOSES

The table below shows the notional amounts and the fair value of derivatives used for hedging purposes.

In millions of euros	31 December 2021			31 December 2020		
	Notional amounts	Positive fair value	Negative fair value	Notional amounts	Positive fair value	Negative fair value
Fair value hedges	**755,989**	**7,010**	**9,593**	**757,650**	**13,100**	**12,764**
Interest rate derivatives	746,253	6,689	9,512	748,871	12,830	12,594
Foreign exchange derivatives	9,736	321	81	8,779	270	170
Cash flow hedges	**213,743**	**1,606**	**481**	**205,208**	**2,489**	**505**
Interest rate derivatives	50,509	1,085	254	55,065	1,947	300
Foreign exchange derivatives	162,827	442	209	149,807	529	152
Other derivatives	407	79	18	336	13	53
Net foreign investment hedges	**2,659**	**64**	**2**	**1,937**	**11**	**51**
Foreign exchange derivatives	2,659	64	2	1,937	11	51
Derivatives used for hedging purposes	**972,391**	**8,680**	**10,076**	**964,795**	**15,600**	**13,320**

Interest rate risk and foreign exchange risk management strategies will be described in Chapter 5 – Pillar 3 of the Universal Registration Document (section 5.7 – *Market risk – Market risk related to banking activities*). Quantitative information related to foreign currency borrowings used for net investment hedges is also mentioned in this chapter.

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The table below presents the detail of fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing as at 31 December 2021:

In millions of euros, as at 31 December 2021	Hedging instruments				Hedged instruments			
	Notional amounts	Positive fair value	Negative fair value	Cumulated changes in fair value used as the basis for recognising ineffectiveness	Carrying amount - asset	Cumulated changes in fair value - asset	Carrying amount - liability	Cumulated changes in fair value - liability
Fair value hedges of identified instruments	**302,733**	**3,013**	**6,008**	**(643)**	**110,232**	**1,530**	**116,360**	**1,131**
Interest rate derivatives hedging the interest rate risk related to	**294,121**	**2,818**	**5,939**	**(741)**	**105,419**	**1,601**	**112,726**	**1,099**
Loans and receivables	20,854	213	518	(278)	19,242	276		
Securities	112,596	1,179	5,399	(1,531)	86,177	1,325		
Deposits	6,725	351	17	274			6,644	271
Debt securities	153,946	1,075	5	794			106,082	828
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**8,612**	**195**	**69**	**98**	**4,813**	**(71)**	**3,634**	**32**
Loans and receivables	2,433	140	2	48	2,308	(51)		
Securities	2,518	28	12	20	2,505	(20)		
Deposits	181	3	21	9			197	9
Debt securities	3,480	24	34	21			3,437	23
Interest rate risk hedged portfolios	**453,256**	**3,997**	**3,585**	**(16)**	**109,933**	**1,463**	**178,771**	**1,320**
Interest rate derivatives hedging the interest rate risk related to [(1)]	**452,132**	**3,871**	**3,573**	**(58)**	**108,893**	**1,504**	**178,771**	**1,320**
Loans and receivables	183,765	606	2,574	(1,603)	108,893	1,504		
Deposits	268,367	3,265	999	1,545			178,771	1,320
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**1,124**	**126**	**12**	**42**	**1,040**	**(41)**		
Loans and receivables	1,124	126	12	42	1,040	(41)		
Total fair value hedge	**755,989**	**7,010**	**9,593**	**(659)**	**220,165**	**2,993**	**295,131**	**2,451**

(1) Are included in this section the notional amounts of hedging derivatives and of swaps that reverse the interest rate positions, thus reducing the hedge relationship, when the hedged item still exists, for respectively EUR 55,414 million for derivatives hedging loans and receivables and EUR 86,139 million for derivatives hedging deposits.

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The table below presents the detail of fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing as at 31 December 2020:

In millions of euros, as at 31 December 2020	Hedging instruments				Hedged instruments			
	Notional amounts	Positive fair value	Negative fair value	Cumulated changes in fair value used as the basis for recognising ineffective-ness	Carrying amount - asset	Cumulated changes in fair value - asset	Carrying amount - liability	Cumulated changes in fair value - liability
Fair value hedges of identified instruments	281,520	4,553	7,353	(733)	115,138	4,815	110,552	4,380
Interest rate derivatives hedging the interest rate risk related to	**274,089**	**4,290**	**7,244**	**(824)**	**111,600**	**4,798**	**106,785**	**4,274**
Loans and receivables	18,124	92	545	(502)	18,200	502		
Securities	113,543	1,108	6,186	(4,553)	93,401	4,296		
Deposits	13,073	558	152	531			13,193	531
Debt securities	129,349	2,532	361	3,700			93,592	3,743
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**7,431**	**263**	**109**	**91**	**3,538**	**17**	**3,767**	**106**
Loans and receivables	2,009	126	2	(13)	1,851	13		
Securities	1,666	16	32	(4)	1,687	4		
Deposits	185	14		12			203	12
Debt securities	3,571	107	75	96			3,564	95
Interest rate risk hedged portfolios	476,130	8,547	5,411	1,849	111,090	4,367	173,716	6,134
Interest rate derivatives hedging the interest rate risk related to [(1)]	**474,782**	**8,540**	**5,350**	**1,861**	**109,820**	**4,355**	**173,716**	**6,134**
Loans and receivables	187,109	1,200	4,364	(4,590)	109,820	4,355		
Deposits	287,672	7,340	986	6,452			173,716	6,134
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**1,348**	**7**	**61**	**(12)**	**1,270**	**12**		
Loans and receivables	1,348	7	61	(12)	1,270	12		
Total fair value hedge	757,650	13,100	12,764	1,116	226,228	9,182	284,268	10,514

[(1)]Are included in this section the notional amounts of hedging derivatives and of swaps that reverse the interest rate positions, thus reducing the hedge relationship, when the hedged item still exists, for respectively EUR 60,447 million for derivatives hedging loans and receivables and EUR 107,437 million for derivatives hedging deposits.

An asset or a liability or set of assets and liabilities, can be hedged over several periods of time with different derivative financial instruments. Besides, some hedges are achieved by the combination of two derivative instruments. In this case, the notional amounts add up and their total amount is higher than the hedged amount. The first situation is observed more particularly for interest rate risk hedged portfolios and the second for hedges of issued debt securities.

As regards discontinued fair value hedge relationships where the derivative contract was terminated, the cumulated amount of revaluation remaining to be amortised over the residual life of the hedged instruments amounts to EUR 1,626 million in assets as at 31 December 2021, and to EUR 14 million in liabilities, for hedges of portfolios of financial instruments. At 31 December 2020, these amounts were EUR 1,194 million in assets and 18 million in liabilities.
The change in assets is mainly due to a modification in hedging strategy which entailed the replacement of derivatives hedging portfolios of loans and receivables in order to modify the floating rate fixing frequency of the swaps. Both the terminated swaps and the new hedging swaps have the same notional. The maturity of the related hedged items spreads out until 2040.

The notional amount of cash flow hedge derivatives is EUR 213,743 million as at 31 December 2021. Changes in assets and liabilities recognised directly in equity amount to EUR 1,329 million. At 31 December 2020, the notional amount of cash flow hedge derivatives was EUR 205,208 million and the changes in assets and liabilities recognised directly in equity amount was EUR 2,009 million.

The tables below present the notional amounts of hedging derivatives by maturity as at 31 December 2021 and as at 31 December 2020:

In millions of euros, as at 31 December 2021	Maturity date			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Fair value hedges	**149,613**	**340,799**	**265,577**	**755,989**
Interest rate derivatives	146,649	334,411	265,193	746,253
Foreign exchange derivatives	2,964	6,388	384	9,736
Cash flow hedges	**146,392**	**43,108**	**24,243**	**213,743**
Interest rate derivatives	10,350	27,777	12,382	50,509
Foreign exchange derivatives	135,867	15,099	11,861	162,827
Other derivatives	175	232		407
Net foreign investment hedges	**2,559**	**100**	**-**	**2,659**
Foreign exchange derivatives	2,559	100		2,659

In millions of euros, as at 31 December 2020	Maturity date			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Fair value hedges	**164,828**	**341,676**	**251,146**	**757,650**
Interest rate derivatives	162,184	336,020	250,667	748,871
Foreign exchange derivatives	2,644	5,656	479	8,779
Cash flow hedges	**145,237**	**40,142**	**19,829**	**205,208**
Interest rate derivatives	11,289	29,053	14,723	55,065
Foreign exchange derivatives	133,788	10,913	5,106	149,807
Other derivatives	160	176		336
Net foreign investment hedges	**1,737**	**200**	**-**	**1,937**
Foreign exchange derivatives	1,737	200		1,937

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4.c FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

In millions of euros	31 December 2021		31 december 2020	
	Fair value	of which changes in value recognised directly to equity	Fair value	of which changes in value recognised directly to equity
Debt securities	**38,906**	**(1)**	**55,981**	**613**
Governments	19,980	117	30,989	414
Other public administrations	13,000	51	17,970	244
Credit institutions	4,138	(169)	5,140	(39)
Others	1,788		1,882	(6)
Equity securities	**2,558**	**933**	**2,209**	**535**
Total financial assets at fair value through equity	**41,464**	**932**	**58,190**	**1,148**

Debt securities at fair value through equity include EUR 105 million classified as stage 3 at 31 December 2021 (EUR 108 million at 31 December 2020). For these securities, the credit impairment recognised in the profit and loss account has been charged to the negative changes in value recognised in equity for EUR 104 million at 31 December 2021 (remained unchanged compared with the previous year).

The option to recognise certain equity instruments at fair value through equity was retained in particular for shares held through strategic partnerships and shares that the Group is required to hold in order to carry out certain activities.

During the year ended 31 December 2021, the Group sell one of these investments and an unrealised gain of EUR 12 million was transferred to “retained earnings” (EUR 84 million at 31 December 2020).

4.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

BNP Paribas has retained the fundamental principle that it should have a unique and integrated processing chain for producing and controlling the valuations of financial instruments that are used for the purpose of daily risk management and financial reporting. All these processes are based on a common economic valuation which is a core component of business decisions and risk management strategies.

Economic value is composed of mid-market value, to which add valuation adjustments.

Mid-market value is derived from external data or valuation techniques that maximise the use of observable and market-based data. Mid-market value is a theoretical additive value which does not take account of i) the direction of the transaction or its impact on the existing risks in the portfolio, ii) the nature of the counterparties, and iii) the aversion of a market participant to particular risks inherent in the instrument, the market in which it is traded, or the risk management strategy.

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market.

Fair value generally equals the economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

The main valuation adjustments are presented in the section below.

VALUATION ADJUSTMENTS

Valuation adjustments retained by BNP Paribas for determining fair values are as follows:

Bid/offer adjustments: the bid/offer range reflects the additional exit cost for a price taker and symmetrically the compensation sought by dealers to bear the risk of holding the position or closing it out by accepting another dealer's price.

BNP Paribas assumes that the best estimate of an exit price is the bid or offer price, unless there is evidence that another point in the bid/offer range would provide a more representative exit price.

Input uncertainty adjustments: when the observation of prices or data inputs required by valuation techniques is difficult or irregular, an uncertainty exists on the exit price. There are several ways to gauge the degree of uncertainty on the exit price such as measuring the dispersion of the available price indications or estimating the possible ranges of the inputs to a valuation technique.

Model uncertainty adjustments: these relate to situations where valuation uncertainty is due to the valuation technique used, even though observable inputs might be available. This situation arises when the risks inherent in the instruments are different from those available in the observable data, and therefore the valuation technique involves assumptions that cannot be easily corroborated.

Future Hedging Costs adjustments (FHC): this adjustment applies to positions classified in level 3 that require dynamic hedging throughout their lifetime leading to additional bid/offer costs. Calculation methods capture these expected costs in particular based on the optimal hedging frequency.

Credit valuation adjustment (CVA): the CVA adjustment applies to valuations and market quotations whereby the credit worthiness of the counterparty is not reflected. It aims to account for the possibility that the counterparty may default and that BNP Paribas may not receive the full fair value of the transactions.

In determining the cost of exiting or transferring counterparty risk exposures, the relevant market is deemed to be an inter-dealer market. However, the determination of CVA remains judgemental due to i) the possible absence or lack of price discovery in the inter-dealer market, ii) the influence of the regulatory landscape relating to counterparty risk on the market participants' pricing behaviour and iii) the absence of a dominant business model for managing counterparty risk.

The CVA model is grounded on the same exposures as those used for regulatory purposes. The model attempts to estimate the cost of an optimal risk management strategy based on i) implicit incentives and constraints inherent in the regulations in force and their evolutions, ii) market perception of the probability of default and iii) default parameters used for regulatory purposes.

Funding valuation adjustment (FVA): when valuation techniques are used for the purpose of deriving fair value, funding assumptions related to the future expected cash flows are an integral part of the mid-market valuation, notably through the use of appropriate discount rates. These assumptions reflect what the Bank anticipates as being the effective funding conditions of the instrument that a market participant would consider. This notably takes into account the existence and terms of any collateral agreement. In particular, for non- or imperfectly collateralised derivative instruments, they include an explicit adjustment to the interbank interest rate.

Own-credit valuation adjustment for debts (OCA) and for derivatives (debit valuation adjustment - DVA): OCA and DVA are adjustments reflecting the effect of credit worthiness of BNP Paribas, on respectively the value of debt securities designated as at fair value through profit or loss and derivatives. Both adjustments are based on the expected future liability profiles of such instruments. The own credit worthiness is inferred from the market-based observation of the relevant bond issuance levels. The DVA adjustment is determined after taking into account the Funding Valuation Adjustment (FVA).

Thus, the carrying value of debt securities designated as at fair value though profit or loss is increased by EUR 359 million as at 31 December 2021, compared with an increase in value of EUR 408 million as at 31 December 2020, i.e. a EUR 49 million variation recognised directly in equity that will not be reclassified to profit or loss.

INSTRUMENT CLASSES AND CLASSIFICATION WITHIN THE FAIR VALUE HIERARCHY FOR ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

As explained in the summary of significant accounting policies (note 1.e.10), financial instruments measured at fair value are categorised into a fair value hierarchy consisting of three levels.

The disaggregation of assets and liabilities into risk classes is meant to provide further insight into the nature of the instruments:

- securitised exposures are further broken down by collateral type.
- for derivatives, fair values are broken down by dominant risk factor, namely interest rate, foreign exchange, credit and equity. Derivatives used for hedging purposes are mainly interest rate derivatives.

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In millions of euros	31 December 2021											
	Financial instruments held for trading				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	152,215	28,234	630	181,079	3,520	1,865	5,043	10,428	33,356	6,987	1,121	41,464
Governments	82,556	10,962	36	93,554				-	16,263	3,717		19,980
Other debt securities	20,921	15,697	404	37,022	2,867	696	404	3,967	15,551	3,057	318	18,926
Equities and other equity securities	48,738	1,575	190	50,503	653	1,169	4,639	6,461	1,542	213	803	2,558
Loans and repurchase agreements	-	246,895	612	247,507	-	1,398	903	2,301	-	-	-	-
Loans		6,525	13	6,538		1,398	903	2,301				
Repurchase agreements		240,370	599	240,969				-				
FINANCIAL ASSETS AT FAIR VALUE	152,215	275,129	1,242	428,586	3,520	3,263	5,946	12,729	33,356	6,987	1,121	41,464
Securities	110,117	2,064	157	112,338	-	-	-	-				
Governments	76,019	267		76,286				-				
Other debt securities	14,382	1,683	117	16,182				-				
Equities and other equity securities	19,716	114	40	19,870				-				
Borrowings and repurchase agreements	-	290,659	918	291,577	-	1,556	323	1,879				
Borrowings		1,758		1,758		1,556	323	1,879				
Repurchase agreements		288,901	918	289,819				-				
Issued debt securities *(note 4.h)*	-	-	-	-	2,716	47,409	20,258	70,383				
Subordinated debt *(note 4.h)*				-		947		947				
Non subordinated debt (note 4.h)				-		42,076	20,258	62,334				
Debt representative of shares of consolidated funds held by third parties				-	2,716	4,386		7,102				
FINANCIAL LIABILITIES AT FAIR VALUE	110,117	292,723	1,075	403,915	2,716	48,965	20,581	72,262				

In millions of euros	31 December 2020											
	Financial instruments held for trading				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	135,850	24,386	396	160,632	671	1,659	4,965	7,295	43,538	13,505	1,147	58,190
Governments	81,126	7,464		88,590				-	27,188	3,801		30,989
Other debt securities	18,264	16,305	137	34,706		1,141	401	1,542	15,109	9,491	392	24,992
Equities and other equity securities	36,460	617	259	37,336	671	518	4,564	5,753	1,241	213	755	2,209
Loans and repurchase agreements	-	243,567	371	243,938	-	218	722	940	-	-	-	-
Loans		4,299		4,299		218	722	940				
Repurchase agreements		239,268	371	239,639				-				
FINANCIAL ASSETS AT FAIR VALUE	135,850	267,953	767	404,570	671	1,877	5,687	8,235	43,538	13,505	1,147	58,190
Securities	92,298	1,823	142	94,263	-	-	-	-				
Governments	66,489	252		66,741				-				
Other debt securities	9,990	1,495	47	11,532				-				
Equities and other equity securities	15,819	76	95	15,990				-				
Borrowings and repurchase agreements	-	285,766	975	286,741	-	1,709	145	1,854				
Borrowings		1,654		1,654		1,709	145	1,854				
Repurchase agreements		284,112	975	285,087				-				
Issued debt securities *(note 4.h)*	-	-	-	-	5,240	40,840	17,968	64,048				
Subordinated debt *(note 4.h)*				-		851		851				
Non subordinated debt *(note 4.h)*				-		38,914	17,968	56,882				
Debt representative of shares of consolidated funds held by third parties				-	5,240	1,075		6,315				
FINANCIAL LIABILITIES AT FAIR VALUE	92,298	287,589	1,117	381,004	5,240	42,549	18,113	65,902				

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In millions of euros	31 December 2021							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	331	117,854	1,034	119,219	318	105,988	1,184	107,490
Foreign exchange derivatives	40	74,827	447	75,314	36	75,388	270	75,694
Credit derivatives		7,532	839	8,371		7,562	889	8,451
Equity derivatives	9,770	12,741	1,706	24,217	12,593	15,795	6,683	35,071
Other derivatives	1,284	11,962	56	13,302	1,179	9,359	153	10,691
Derivative financial instruments not used for hedging purposes	**11,425**	**224,916**	**4,082**	**240,423**	**14,126**	**214,092**	**9,179**	**237,397**
Derivative financial instruments used for hedging purposes	-	**8,680**	-	**8,680**	-	**10,076**	-	**10,076**

In millions of euros	31 December 2020							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	167	149,474	1,560	151,201	280	140,670	1,559	142,509
Foreign exchange derivatives		82,809	437	83,246	2	84,953	343	85,298
Credit derivatives		7,718	434	8,152		8,200	466	8,666
Equity derivatives	11,537	15,853	1,881	29,271	15,461	18,906	7,767	42,134
Other derivatives	988	3,857	64	4,909	747	3,161	93	4,001
Derivative financial instruments not used for hedging purposes	**12,692**	**259,711**	**4,376**	**276,779**	**16,490**	**255,890**	**10,228**	**282,608**
Derivative financial instruments used for hedging purposes	-	**15,600**	-	**15,600**	-	**13,320**	-	**13,320**

Transfers between levels may occur when an instrument fulfils the criteria defined, which are generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events during the transaction lifetime. The timing of recognising transfers is determined at the beginning of the reporting period.

During the year ended 31 December 2021, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

The following section provides a description of the instruments in each level in the hierarchy. It describes notably instruments classified in Level 3 and the associated valuation methodologies.
For main trading book instruments and derivatives classified in Level 3, further quantitative information is provided about the inputs used to derive fair value.

Level 1

This level encompasses all derivatives and securities that are listed on exchanges or quoted continuously in other active markets.

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, *etc.*). It includes shares of funds and UCITS, for which the net asset value is calculated on a daily basis, as well as debt representative of shares of consolidated funds held by third parties.

Level 2

The Level 2 stock of securities is composed of securities which are less liquid than the Level 1 bonds. They are predominantly corporate debt securities, government bonds, mortgage backed securities, fund shares and short-term securities such as certificates of deposit. They are classified in Level 2 notably when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices. This comprises amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers. Other sources such as primary issuance market, may also be used where relevant.

Repurchase agreements are classified predominantly in Level 2. The classification is primarily based on the observability and liquidity of the repo market, depending on the underlying collateral and the maturity of the repo transaction.

Debts issued designated as at fair value through profit and loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives classified in Level 2 comprise mainly the following instruments:

- vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;
- structured derivatives for which model uncertainty is not significant such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

The above derivatives are classified in Level 2 when there is a documented stream of evidence supporting one of the following:

- fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;
- fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;
- fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

Determining of whether an over-the-counter (OTC) derivative is eligible for Level 2 classification involves judgement. Consideration is given to the origin, transparency and reliability of external data used, and the amount of uncertainty associated with the use of models. It follows that the Level 2 classification criteria involve multiple analysis axis within an "observability zone" whose limits are determined by i) a predetermined list of product categories and ii) the underlying and maturity bands. These criteria are regularly reviewed and updated, together with the applicable valuation adjustments, so that the classification by level remains consistent with the valuation adjustment policy.

Level 3

Level 3 securities of the trading book mainly comprise units of funds and unlisted equity shares measured at fair value through profit or loss or through equity.

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value which are classified in the Level 1 of the fair value hierarchy.

Shares and other unlisted variable income securities in level 3 are valued using one of the following methods: a share of revalued net book value, multiples of comparable companies, future cash flows method, multi-criteria approach.

Repurchase agreements: mainly long-term or structured repurchase agreements on corporate bonds and ABSs: The valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as the implied basis of the relevant benchmark bond pool, recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

Debts issued designated as at fair value through profit or loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets. The main instruments are:

- ***Interest rate derivatives***: exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.
- ***Credit derivatives (CDS)***: exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.
- ***Equity derivatives***: exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

  Similarly, long-term transactions on equity baskets are also classified in Level 3, based on the absence of equity correlation observability on long maturities.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty on liquidity, specialised by nature of underlying and liquidity bands.

Structured derivatives classified in Level 3 predominantly comprise structured derivatives of which hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments. The main exposures are described below, with insight into the related valuation techniques and on the source of uncertainty:

- ***Structured interest rate options*** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.

- ***Hybrid FX/Interest rate products*** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). When valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations, such products are classified as level 3. PRDCs valuations are corroborated with recent trade data and consensus data.

- ***Securitisation swaps*** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.

- ***Forward volatility options*** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.

- ***Inflation derivatives*** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

- The valuation of ***bespoke CDOs*** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.

- ***N to Default baskets*** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.

- ***Equity and equity-hybrid correlation products*** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices, or foreign exchange rates. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

These structured derivatives are subject to specific valuation adjustments to cover uncertainties linked to liquidity, parameters and model risk.

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. Are particularly concerned some insufficiently collateralised vanilla interest rate instruments with very long residual maturity.

The table below provides the range of values of main unobservable inputs for the valuation of level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in level 3 are equivalent to these of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

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Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Repurchase agreements	599	918	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	0 pb to 95 pb	29 pb (a)
Interest rate derivatives	1,034	1,184	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	27% to 59%	37% (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	0% to 25%	16%
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.7% to 8.8%	(b)
					Volatility of the year on year inflation rate	0.3% to 2.7%	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.4% to 0.7%	(b)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0% to 18%	2% (a)
Credit derivatives	839	889	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	28% to 86%	(b)
					Recovery rate variance for single name underlyings	0 to 25 %	(b)
			N-to-default baskets	Credit default model	Default correlation	48% to 84%	58% (a)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	34 pb to 162 pb (1)	114 pb (c)
					Illiquid credit default spread curves (across main tenors)	3 pb to 826 bp (2)	66 pb (c)
Equity derivatives	1,706	6,683	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 105% (3)	32% (d)
					Unobservable equity correlation	27% to 99%	70% (c)

(1) The upper part of the range relates to a significant balance sheet position on an issuer belonging to the European telecommunication sector. The remaining positions relate mainly to sovereign and financial issuers.
(2) The upper bound of the range relates to distribution, consumer and transportation sector issuers that represent an insignificant portion of the balance sheet (CDSs with illiquid underlying instruments).
(3) The upper part of the range relates to 8 equities representing a non-material portion of the balance sheet on options with equity underlying instruments. Including these inputs, the upper bound of the range would be around 203%.
(a) Weights based on relevant risk axis at portfolio level
(b) No weighting, since no explicit sensitivity is attributed to these inputs
(c) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (present value or notional)
(d) Simple averaging

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred during the year ended 31 December 2021:

In millions of euros	Financial assets				Financial liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments at fair value through profit or loss not held for trading	Financial assets at fair value through equity	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2020	5,143	5,687	1,147	11,977	(11,345)	(18,113)	(29,458)
Purchases	638	1,291	127	**2,056**			**-**
Issues				**-**		(5,691)	**(5,691)**
Sales	(622)	(1,081)	(2)	**(1,705)**	(242)		**(242)**
Settlements [1]	1,461	(442)	(169)	**850**	877	7,532	**8,409**
Transfers to level 3	1,416	23	10	**1,449**	(1,226)	(3,640)	**(4,866)**
Transfers from level 3	(1,118)	(46)	(31)	**(1,195)**	1,528	347	**1,875**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	793	457	(11)	**1,239**	2,620	(958)	**1,662**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	(2,403)	(18)		**(2,421)**	(2,467)	(58)	**(2,525)**
Changes in fair value of assets and liabilities recognised directly in equity				**-**			**-**
- Items related to exchange rate movements	16	75	4	**95**	1		**1**
- Changes in fair value of assets and liabilities recognised in equity			46	**46**			**-**
At 31 December 2021	5,324	5,946	1,121	12,391	(10,254)	(20,581)	(30,835)

[1] For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, and of market parameters related to repurchase agreements and credit transactions but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

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SENSITIVITY OF FAIR VALUE TO REASONABLY POSSIBLE CHANGES IN LEVEL 3 ASSUMPTIONS

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard "Prudent Valuation" published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

In millions of euros	31 December 2021		31 December 2020	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Debt securities	+/-7	+/-3	+/-5	+/-3
Equities and other equity securities	+/-48	+/-8	+/-48	+/-8
Loans and repurchase agreements	+/-12		+/-13	
Derivative financial instruments	+/-588		+/-620	
Interest rate and foreign exchange derivatives	*+/-322*		*+/-360*	
Credit derivatives	*+/-35*		*+/-49*	
Equity derivatives	*+/-227*		*+/-199*	
Other derivatives	*+/-4*		*+/-12*	
Sensitivity of Level 3 financial instruments	**+/-655**	**+/-11**	**+/-686**	**+/-11**

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY UNOBSERVABLE IN ACTIVE MARKETS

Deferred margin on financial instruments ("Day One Profit") primarly concerns the scope of financial instruments eligible for Level 3 and to a lesser extent some financial instruments eligible for level 2 where valuation adjustments for uncertainties regarding parameters or models are not negligible compared to the initial margin.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable. The unamortised amount is included under "Financial instruments at fair value through profit or loss" as a reduction in the fair value of the relevant transactions.

In millions of euros	Deferred margin at 31 December 2020	Deferred margin on transactions during the period	Margin taken to the profit and loss account during the period	Deferred margin at 31 December 2021
Interest rate and foreign exchange derivatives	244	89	(129)	204
Credit derivatives	174	92	(102)	164
Equity derivatives	414	608	(621)	401
Other instruments	11	26	(28)	9
Financial instruments	**843**	**815**	**(880)**	**778**

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4.e FINANCIAL ASSETS AT AMORTISED COST

- **Detail of loans and advances by nature**

In millions of euros	31 December 2021			31 December 2020		
	Gross value	Impairment (note 2.h)	Carrying amount	Gross value	Impairment (note 2.h)	Carrying amount
Loans and advances to credit institutions	**21,844**	**(93)**	**21,751**	**19,082**	**(100)**	**18,982**
On demand accounts	9,009	(8)	9,001	7,241	(12)	7,229
Loans[1]	10,635	(85)	10,550	10,009	(88)	9,921
Repurchase agreements	2,200		2,200	1,832		1,832
Loans and advances to customers	**833,935**	**(19,935)**	**814,000**	**830,979**	**(21,446)**	**809,533**
On demand accounts	52,488	(3,157)	49,331	37,639	(3,409)	34,230
Loans to customers	740,080	(15,658)	724,422	752,797	(16,888)	735,909
Finance leases	41,026	(1,120)	39,906	39,220	(1,149)	38,071
Repurchase agreements	341		341	1,323		1,323
Total loans and advances at amortised cost	**855,779**	**(20,028)**	**835,751**	**850,061**	**(21,546)**	**828,515**

[1] Loans and advances to credit institutions include term deposits made with central banks.

Contractual maturities of finance leases

In millions of euros	31 December 2021	31 December 2020
Gross investment	**43,823**	**41,899**
Receivable within 1 year	*12,276*	*11,602*
Receivable after 1 year but within 5 years	*27,399*	*26,306*
Receivable beyond 5 years	*4,148*	*3,991*
Unearned interest income	**(2,797)**	**(2,679)**
Net investment before impairment	**41,026**	**39,220**
Receivable within 1 year	*11,289*	*10,675*
Receivable after 1 year but within 5 years	*25,845*	*24,816*
Receivable beyond 5 years	*3,892*	*3,729*
Impairment provisions	**(1,120)**	**(1,149)**
Net investment after impairment	**39,906**	**38,071**

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- **Detail of debt securities by type of issuer**

In millions of euros	31 December 2021			31 December 2020		
	Gross value	Impairment (note 2.h)	Carrying amount	Gross value	Impairment (note 2.h)	Carrying amount
Governments	57,221	(20)	57,201	62,044	(22)	62,022
Other public administration	17,317	(2)	17,315	24,248	(2)	24,246
Credit institutions	10,593	(2)	10,591	10,461	(2)	10,459
Others	23,547	(144)	23,403	21,721	(132)	21,589
Total debt securities at amortised cost	108,678	(168)	108,510	118,474	(158)	118,316

- **Detail of financial assets at amortised cost by stage**

In millions of euros	31 December 2021			31 December 2020		
	Gross Value	Impairment (note 2.h)	Carrying amount	Gross Value	Impairment (note 2.h)	Carrying amount
Loans and advances to credit institutions	21,844	(93)	21,751	19,082	(100)	18,982
Stage 1	21,516	(13)	21,503	18,517	(19)	18,498
Stage 2	242	(2)	240	486	(8)	478
Stage 3	86	(78)	8	79	(73)	6
Loans and advances to customers	833,935	(19,935)	814,000	830,979	(21,446)	809,533
Stage 1	701,259	(1,834)	699,425	707,664	(2,303)	705,361
Stage 2	104,857	(2,687)	102,170	93,244	(3,101)	90,143
Stage 3	27,819	(15,414)	12,405	30,071	(16,042)	14,029
Debt securities	108,678	(168)	108,510	118,474	(158)	118,316
Stage 1	108,006	(20)	107,986	117,357	(21)	117,336
Stage 2	412	(25)	387	847	(33)	814
Stage 3	260	(123)	137	270	(104)	166
Total financial assets at amortised cost	964,457	(20,196)	944,261	968,535	(21,704)	946,831

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4.f IMPAIRED FINANCIAL ASSETS (STAGE 3)

The following tables present the carrying amounts of impaired financial assets carried at amortised cost and of impaired financing and guarantee commitments, as well as related collateral and other guarantees.

The amounts shown for collateral and other guarantees correspond to the lower of the value of the collateral or other guarantee and the value of the secured assets.

In millions of euros	31 December 2021			
	Impaired financial assets (Stage 3)			Collateral received
	Gross value	Impairment	Net	
Loans and advances to credit institutions (note 4.e)	86	(78)	8	1
Loans and advances to customers (note 4.e)	27,819	(15,414)	12,405	8,068
Debt securities at amortised cost (note 4.e)	260	(123)	137	25
Total amortised-cost impaired assets (stage 3)	**28,165**	**(15,615)**	**12,550**	**8,094**
Financing commitments given	1,088	(89)	999	65
Guarantee commitments given	833	(265)	568	192
Total off-balance sheet impaired commitments (stage 3)	**1,921**	**(354)**	**1,567**	**257**

In millions of euros	31 December 2020			
	Impaired financial assets (Stage 3)			Collateral received
	Gross value	Impairment	Net	
Loans and advances to credit institutions (note 4.e)	79	(73)	6	123
Loans and advances to customers (note 4.e)	30,071	(16,042)	14,029	8,978
Debt securities at amortised cost (note 4.e)	270	(104)	166	39
Total amortised-cost impaired assets (stage 3)	**30,420**	**(16,219)**	**14,201**	**9,140**
Financing commitments given	1,001	(83)	918	105
Guarantee commitments given	1,364	(264)	1,100	320
Total off-balance sheet impaired commitments (stage 3)	**2,365**	**(347)**	**2,018**	**425**

The following table presents gross exposures of stage 3 assets change (EU CR2):

Gross value In millions of euros	Year to 31 Dec 2021	Year to 31 Dec 2020
Impaired exposures (Stage 3) at opening balance	**30,420**	**30,088**
Transfer to stage 3	6,432	8,623
Transfer to stage 1 or stage 2	(2,548)	(2,306)
Assets Written off	(4,491)	(4,188)
Others changes	(1,648)	(1,797)
Impaired exposures (Stage 3) at closing balance	**28,165**	**30,420**

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4.g FINANCIAL LIABILITIES AT AMORTISED COST DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

In millions of euros	31 December 2021	31 December 2020
Deposits from credit institutions	**165,699**	**147,657**
On demand accounts	9,105	8,995
Interbank borrowings[1]	147,635	130,999
Repurchase agreements	8,959	7,663
Deposits from customers	**957,684**	**940,991**
On demand deposits	634,784	613,311
Savings accounts	158,932	156,508
Term accounts and short-term notes	163,429	170,097
Repurchase agreements	539	1,075

[1] Interbank borrowings from credit institutions include term borrowings from central banks, of which EUR 120.1 billion of TLTRO III at 31 December 2021 (EUR 101.8 billion at 31 December 2020).

4.h DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all issued debt securities and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

- **Debt securities designated at fair value through profit or loss (note 4.a)**

Issuer / issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [1]	31 December 2021	31 December 2020
Debt securities							62,334	56,882
Subordinated debt							947	851
- Redeemable subordinated debt			(2)				**41**	**53**
- Perpetual subordinated debt							**906**	**798**
BNP Paribas Fortis Dec. 2007[3]	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	906	798

[1] Conditions precedent for coupon payment:

A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

[2] After agreement from the banking supervisory authority and at the issuer's initiative, redeemable subordinated debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

[3] Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.
The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.
Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.
As at 31 December 2021, the liability is eligible to prudential own funds for EUR 205 million.

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- **Debt securities measured at amortised cost**

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [1]	31 December 2021	31 December 2020
Debt securities							149,723	148,303
- Debt securities in issue with an initial maturity of less than one year							**47,293**	**48,332**
Negotiable debt securities							47,293	48,332
- Debt securities in issue with an initial maturity of more than one year							**102,430**	**99,971**
Negotiable debt securities							27,256	38,720
Bonds							75,174	61,251
Subordinated debt							24,720	22,474
- Redeemable subordinated debt			(2)				**23,000**	**20,739**
- Undated subordinated notes							**1,494**	**1,506**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C	240	224
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D	1,000	1,000
Others							-	28
- Participating notes							**222**	**222**
BNP Paribas SA July 84 [3]	EUR	337	-	(4)	-		215	215
Others							7	7
- Expenses and commission, related debt							**4**	**7**

[1] Conditions precedent for coupon payment

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

[2] See reference relating to "Debt securities at fair value through profit or loss".

[3] The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.

[4] Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

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4.i FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

In millions of euros	31 December 2021			31 December 2020		
	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked insurance contracts *(financial risk supported by policyholders)*	Total	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked insurance contracts *(financial risk supported by policyholders)*	Total
Financial instruments designated as at fair value through profit or loss	50,940	87,108	138,048	45,867	73,151	119,018
Derivative financial instruments	1,033		1,033	1,365		1,365
Available-for-sale financial assets	127,413		127,413	130,594		130,594
Held-to-maturity financial assets	981		981	1,443		1,443
Loans and receivables	3,145		3,145	3,214		3,214
Equity-method investments	349		349	354		354
Investment property	2,875	4,354	7,229	2,857	3,732	6,589
Total	**186,736**	**91,462**	**278,198**	**185,694**	**76,883**	**262,577**
Reinsurers' share of technical reserves	2,568		2,568	2,779		2,779
Financial investments of insurance activities	**189,304**	**91,462**	**280,766**	**188,473**	**76,883**	**265,356**

Investments in financial instruments of insurance activities are accounted for according to IAS 39 principles.

The fair value of financial assets with contractual cash-flows corresponding only to payments of principal and interest on principal amounts to EUR 108.6 billion as at 31 December 2021. It amounted to EUR 116.4 billion as at 31 December 2020, which represents a variation of EUR -7.8 billion over the period.

The fair value of other financial assets amounts to EUR 170 billion, and corresponds to all financial instruments that do not meet the previously mentioned criteria, derivatives and financial assets managed on a market value basis. It amounted to EUR 146.5 billion as at 31 December 2020, which represents a variation of EUR +23.5 billion over the period.

The fair value of investment properties which are not representative of unit-linked insurance contracts accounted for at amortised cost amounts to EUR 4.4 billion as at 31 December 2021, compared with EUR 4.3 billion as at 31 December 2020.

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- **Measurement of the fair value of financial instruments**

The criteria for allocating instruments to the levels of the fair value hierarchy, the corresponding valuation methodologies and the principles of transfer between the levels of the hierarchy for insurance investments are similar to those applied for the Group's other financial instruments (note 4.d).

In millions of euros	31 December 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	**110,750**	**16,196**	**467**	**127,413**	**112,156**	**18,218**	**220**	**130,594**
Equity instruments	9,767	1,338	367	11,472	7,963	1,370	195	9,528
Debt securities	100,983	14,858	100	115,941	104,193	16,848	25	121,066
Financial instruments designated as at fair value through profit or loss	**86,497**	**43,486**	**8,065**	**138,048**	**90,733**	**21,419**	**6,865**	**119,017**
Equity instruments	85,749	34,660	8,037	128,446	89,691	13,036	6,804	109,531
Debt securities	748	8,826	28	9,602	1,042	8,383	61	9,486
Derivative financial instruments	**1**	**909**	**123**	**1,033**	**-**	**1,162**	**203**	**1,365**
Financial assets measured at fair value	**197,248**	**60,591**	**8,655**	**266,494**	**202,889**	**40,799**	**7,288**	**250,976**

Level 1: this level comprises equities and liquid bonds, derivative instruments traded on organised markets (futures, options, *etc.*), units of funds and UCITS for which the net asset value is calculated on a daily basis.

Level 2: this level comprises equities, certain government or corporate bonds, other fund units and UCITS and over-the-counter derivatives.

Level 3: this level consists mainly of fund units and shares which are not quoted on active markets, consisting mainly of units in venture capital companies and funds.

- **Table of movements in Level 3 financial instruments**

For Level 3 financial instruments, the following movements occurred during the period:

In millions of euros	Financial assets		
	Available-for-sale financial instruments	Financial instruments as at fair value through profit or loss	Total
At 31 December 2020	**220**	**7,068**	**7,288**
Purchases	240	4,993	5,233
Sales	(105)	(3,933)	(4,038)
Settlements	(12)	(336)	(348)
Transfers to Level 3	154	207	361
Transfers from Level 3	(27)	(858)	(885)
Gains recognised in profit or loss	22	1,034	1,056
Items related to exchange rate movements		13	13
Changes in fair value of assets and liabilities recognised in equity	(25)		(25)
At 31 December 2021	**467**	**8,188**	**8,655**

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- **Details of available-for-sale financial assets**

In millions of euros	31 December 2021 Balance sheet value	31 December 2021 of which impairment	31 December 2021 of which changes in value recognised directly in equity	31 December 2020 Balance sheet value	31 December 2020 of which impairment	31 December 2020 of which changes in value recognised directly in equity
Debt securities	115,941		9,408	121,066		14,934
Equity instruments	11,472	(664)	3,257	9,528	(697)	2,117
Total available-for-sale financial assets	**127,413**	**(664)**	**12,665**	**130,594**	**(697)**	**17,051**

- **Fair value of financial instruments carried at amortised cost**

In millions of euros	31 December 2021 Level 1	Level 2	Level 3	Total	Carrying value	31 December 2020 Level 1	Level 2	Level 3	Total	Carrying value
Held-to-maturity financial assets	1,150			1,150	981	1,686			1,686	1,443
Loans and receivables	-	3,152	3	3,155	3,145	65	3,183	-	3,248	3,214

4.j TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

In millions of euros	31 December 2021	31 December 2020
Technical reserves - Non-Life insurance contracts	**4,212**	**4,668**
Technical reserves - Life insurance contracts	**168,910**	**155,129**
- Insurance contracts	87,325	85,961
- Unit-linked contracts	81,585	69,168
Technical liabilities - investment contracts	**50,723**	**48,528**
- Investments contracts with discretionary participation feature	41,850	40,916
- Investment contracts without discretionary participation feature - Unit-linked contracts	8,873	7,612
Policyholders' surplus reserve - liability	**27,011**	**27,860**
Total technical reserves and liabilities related to insurance and investment contracts	**250,856**	**236,185**
Debts arising out of insurance and reinsurance operations	2,890	2,948
Derivative financial instruments	1,049	1,608
Total technical reserves and other insurance liabilities	**254,795**	**240,741**

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 92% in 2021, unchanged from 2020.

The Liability Adequacy Test required by IFRS 4 and performed by contract portfolio consists of comparing reserves (net of deferred acquisition costs) with an evaluation of future discounted cash flows.

As at 31 December 2021, this test led to additional provisions on the Asian life insurance entities for a total amount of EUR 4 million (EUR 18 million for the year ended 31 December 2020).

The change in technical reserves and liabilities related to insurance contracts breaks down as follows:

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Liabilities related to insurance contracts at start of period	**236,185**	**232,309**
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	24,687	21,309
Claims and benefits paid	(18,721)	(17,708)
Effect of changes in value of admissible investments related to unit-linked contracts	8,242	708
Effect of movements in exchange rates	811	(527)
Effect of changes in the scope of consolidation	(348)	94
Liabilities related to insurance contracts at end of period	**250,856**	**236,185**

See note 4.i for details of reinsurers' share of technical reserves.

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4.k CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2021	31 December 2019
Current taxes	1,862	2,016
Deferred taxes	4,004	4,543
Current and deferred tax assets	**5,866**	**6,559**
Current taxes	1,787	1,671
Deferred taxes	1,316	1,330
Current and deferred tax liabilities	**3,103**	**3,001**

Change in deferred tax by nature over the period:

In millions of euros	31 December 2020	Changes recognised in profit or loss	Changes recognised in equity that may be reclassified to profit or loss	Changes recognised in equity that will not be reclassified to profit or loss	Effects of exchange rates, consolidation scope and other movements	31 December 2021
Financial instruments	(1,061)	(233)	498	(32)	(29)	(857)
Provisions for employee benefit obligations	872	44	-	(96)	(82)	738
Unrealised finance lease reserve	(556)	(14)	-	-	89	(481)
Credit risk impairment	3,145	(319)	-	-	(121)	2,705
Tax loss carryforwards	1,046	(274)	-	-	2	774
Other items	(233)	36	-	-	6	(191)
Net deferred taxes	**3,213**	**(760)**	**498**	**(128)**	**(135)**	**2,688**
Deferred tax assets	4,543	-	-	-	-	4,004
Deferred tax liabilities	(1,330)	-	-	-	-	(1,316)

In order to determine the amount of the tax loss carryforwards recognised as assets, the Group conducts every year a specific review for each relevant entity based on the applicable tax regime, notably incorporating any time limit rules, and a realistic projection of their future revenue and charges in line with their business plan.

Deferred tax assets recognised on tax loss carryforwards are mainly related to BNP Paribas Fortis for EUR 648 million, with a 7-year expected recovery period (unlimited carryforward period).

Unrecognised deferred tax assets totalled EUR 1 408 million at 31 December 2021 compared with EUR 1,117 million at 31 December 2020.

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4.l ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	31 December 2021	31 December 2020
Guarantee deposits and bank guarantees paid	136,142	103,199
Collection accounts	242	677
Accrued income and prepaid expenses	4,617	3,985
Other debtors and miscellaneous assets	38,122	33,043
Total accrued income and other assets	**179,123**	**140,904**
Guarantee deposits received	101,923	61,454
Collection accounts	2,870	3,243
Accrued expense and deferred income	7,739	6,701
Lease liabilities	3,248	3,595
Other creditors and miscellaneous liabilities	29,619	32,853
Total accrued expense and other liabilities	**145,399**	**107,846**

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4.m EQUITY-METHOD INVESTMENTS

Cumulated financial information of associates and joint ventures is presented in the following table:

In millions of euros	Year to 31 Dec. 2021			31 December 2021	Year to 31 Dec. 2020			31 December 2020
	Share of net income	*Share of changes in assets and liabilities recognised directly in equity*	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments	*Share of net income*	*Share of changes in assets and liabilities recognised directly in equity*	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments
Joint ventures	*5*	*128*	133	1,022	*33*	*(35)*	(2)	832
Associates [(1)]	*489*	*184*	673	5,506	*390*	*(93)*	297	5,564
Total equity-method entities	***494***	***312***	**806**	**6,528**	***423***	***(128)***	**295**	**6,396**

[(1)] Including controlled but nonmaterial entities consolidated under the equity method.

Financing and guarantee commitments given by the Group to joint ventures are listed in the note 7.j Other related parties.

The carrying amount of the Group's investment in the main joint ventures and associates is presented in the following table:

In millions of euros, as at	Country of registration	Activity	Interest (%)	31 December 2021	31 December 2020
Joint ventures					
Bpost banque	Belgium	Retail banking	50%	111	114
Union de Creditos Inmobiliarios	Spain	Retail mortgage	50%	203	196
BoB Cardif Life Insurance	China	Life Insurance	50%	231	186
BNPP Cardif TCB Life Insurance	Taiwan	Life Insurance	49%	214	208
Associates					
AG Insurance	Belgium	Insurance	25%	1,704	1,685
Bank of Nanjing	China	Retail banking	15%	2,306	1,795
Allfunds Group Plc	United Kingdom	Financial Services	14%	370	580

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4.n PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

In millions of euros	31 December 2021			31 December 2020		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**869**	**(294)**	**575**	**926**	**(322)**	**604**
Land and buildings	12,023	(4,817)	7,206	13,180	(5,626)	7,554
Equipment, furniture and fixtures	7,172	(5,312)	1,860	7,262	(5,333)	1,929
Plant and equipment leased as lessor under operating leases	33,890	(9,285)	24,605	30,435	(8,204)	22,231
Other property, plant and equipment	1,932	(1,095)	837	2,387	(1,206)	1,181
Property, plant and equipment	**55,017**	**(20,509)**	**34,508**	**53,264**	**(20,369)**	**32,895**
Of which right of use	*6,117*	*(3,314)*	*2,803*	*6,871*	*(3,728)*	*3,143*
Property, plant and equipment and investment property	**55,886**	**(20,803)**	**35,083**	**54,190**	**(20,691)**	**33,499**
Purchased software	3,303	(2,651)	652	3,880	(3,080)	800
Internally developed software	5,995	(4,657)	1,338	5,435	(4,095)	1,340
Other intangible assets	2,157	(488)	1,669	2,307	(548)	1,759
Intangible assets	**11,455**	**(7,796)**	**3,659**	**11,622**	**(7,723)**	**3,899**

- **Investment property**

Land and buildings leased by the Group as lessor under operating leases are recorded in "Investment property".

The estimated fair value of investment property accounted for at amortised cost at 31 December 2021 is EUR 736 million, compared with EUR 743 million at 31 December 2020.

- **Operating leases**

Operating leases and investment property transactions are in certain cases subject to agreements providing for the following minimum future payments:

In millions of euros	31 December 2021	31 December 2020
Future minimum lease payments receivable under non-cancellable leases	**7,757**	**7,366**
Payments receivable within 1 year	*3,364*	*3,167*
Payments receivable after 1 year but within 5 years	*4,341*	*4,139*
Payments receivable beyond 5 years	*52*	*60*

Future minimum lease payments receivable under non-cancellable leases are payments that the lessee is required to make during the lease term.

- **Intangible assets**

Other intangible assets include leasehold rights, goodwill and trademarks acquired by the Group.

- **Amortisation and provision**

Net depreciation and amortisation expense for the year ended 31 December 2021 was EUR 2,336 million, compared with EUR 2,256 million for the year ended 31 December 2020.

The net increase in impairment on property, plant, equipment and intangible assets taken to the profit and loss account for the year ended 31 December 2021 amounted to EUR 8 million, compared with EUR 6 million for the year ended 31 December 2020.

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4.o GOODWILL

In millions of euros	31 December 2021	31 December 2020
Carrying amount at start of period	**7,493**	**7,817**
Acquisitions	47	5
Divestments	(90)	-
Impairment recognised during the period	(26)	-
Transfer to assets held for sale (note 7.d)	(2,533)	-
Exchange rate adjustments	230	(329)
Carrying amount at end of period	**5,121**	**7,493**
Gross value	8,350	11,247
Accumulated impairment recognised at the end of period	(3,229)	(3,754)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Recognised impairment		Acquisitions	
	31 December 2021	31 December 2020	Year to 31 Dec. 2021	Year to 31 Dec. 2020	31 December 2021	31 December 2020
Retail Banking & Services	**3,908**	**6,311**	**(26)**		**47**	**5**
Domestic Markets	**1,437**	**1,424**	**(26)**		**32**	**5**
Arval	*523*	*510*			*1*	*5*
Leasing Solutions	*150*	*149*				
New Digital Businesses	*159*	*159*				
Personal Investors	*568*	*600*	*(26)*			
Others	*37*	*6*			*31*	
International Financial Services	**2,471**	**4,887**			**15**	
Asset Management	*186*	*181*				
Insurance	*296*	*352*				
BancWest		*2,362*				
Personal Finance	*1,236*	*1,238*				
Real Estate	*406*	*403*				
Wealth Management	*316*	*314*			*15*	
Other	*31*	*37*				
Corporate & Institutional Banking	**1,210**	**1,179**				
Corporate Banking	*276*	*273*				
Global Markets	*478*	*460*				
Securities Services	*456*	*446*				
Other Activities	**3**	**3**				
Total goodwill	**5,121**	**7,493**	**(26)**		**47**	**5**
Negative goodwill			117	5		
Change in value of goodwill recognised in the profit and loss account			**91**	**5**		

The Group carried out a detailed analysis of goodwill to identify whether impairments were necessary in connection with the health crisis.

This analysis is based in particular on the assumptions of economic scenarios (see note 2.h).

The cash-generating units to which goodwill is allocated are:

Arval: Specialist in vehicle long-term leasing and mobility, Arval offers corporates (from multinational companies to small and medium companies), employees and individuals tailored solutions that optimise their mobility.

Leasing Solutions: BNP Paribas Leasing Solutions uses a multi-channel partnership approach (sales *via* referrals, partnerships, direct sales and banking networks) to offer corporate and small business clients an array of leasing and rental solutions, ranging from equipment financing to fleet outsourcing.

New digital businesses: they include in particular the account management service "Nickel", open to all, without any conditions regarding income, deposits or personal wealth, and without any overdraft or credit facility. This service, which operates in real time using the latest technology, is available through over 7,112 points of sale.

Personal Investors: BNP Paribas Personal Investors is a digital specialist of banking and investment services. Mainly based in Germany, India and Spain, it provides a wide range of banking, savings and long and short-term investment services to individual clients via the internet, and also on the phone and face-to-face. In addition to its activities destined to private clients, Personal Investors offers its services and IT platform to independent financial consultants, asset managers and FinTechs.

Asset Management: BNP Paribas Asset Management is the dedicated asset management business line of the BNP Paribas Group and offers services to individual investors (through internal distributors – BNP Paribas private and retail banking – and external distributors), to corporates and to institutional investors (insurance companies, retirement funds, official institutions, consultants). Its aim is to offer an added value based on a broad range of expertise throughout its active management of equities and bonds, its activity of private debt and real assets management and its multi-asset, quantitative and solutions division.

Insurance: BNP Paribas Cardif, a world leader in personal insurance, has designed, developed and marketed savings and protection products and services to protect individuals, their projects and their assets.

BNP Paribas Cardif also offer products in damage insurance , health insurance, budget insurance, revenue and means of payment insurance, unexpected event protection (unemployment, accident, death, theft or breakage) or the protection of private digital data to meet the evolution of customers' needs.

BancWest: In the United States, the Retail Banking business is conducted through Bank of the West, which markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients, through branches and offices in 24 States, mainly in western and mid-western America. It also has strong positions across the USA in several specialised lending activities, such as marine, recreational vehicles and agribusiness, and develops its commercial set up particularly in Corporate Banking, Wealth Management, and Small and Medium Enterprise businesses.

On 18 December 2021, the Group concluded an agreement with BMO Financial Group for the sale of its retail and commercial banking activities in the United States operated by BancWest for a total price of USD 16.3 billion to be paid in cash at the time of the transaction.

The total price consideration represents 1.7 times the value of BancWest's tangible net assets confirming the absence of any impairment trigger.

Since the loss of control within one year is highly probable, the Group applies the provisions of IFRS 5 on groups of assets and liabilities held for sale, leading to the reclassification of the goodwill into "Assets held for sale" (see note 7.d).

Personal Finance: BNP Paribas Personal Finance is the Group's consumer credit specialist. Through its brands and partnerships such as Cetelem, Cofinoga, Findomestic, AlphaCredit, Opel Vauxhall or SevenDay Finans AB, Personal Finance provides a full range of consumer loans at point of sale (retail stores and car dealerships) or through its customer relation centres and websites and mobile applications. The business line, in some countries outside the domestic markets, is integrated into the BNP Paribas group's retail banking.

Real Estate: BNP Paribas Real Estate serves the needs of its clients, whether institutional investors, corporates, public entities or individuals, at all stages of the life cycle of their property (from the conception of a construction project to its daily management).

Wealth Management: Wealth Management encompasses the private banking activities of BNP Paribas and serves a clientele of wealthy individuals, shareholder families and entrepreneurs seeking a one-stop shop for all their wealth management and financial needs.

Corporate Banking: Corporate Banking combines financing solutions to corporates, all transaction banking products, corporate finance advisory services in mergers and acquisitions and primary equity activities.

Global Markets: Global Markets provides investment, hedging, financing and research services across asset classes, to corporate and institutional clients – as well as private and retail banking networks. The sustainable, long-term business model of Global Markets connects clients to capital markets throughout EMEA (Europe, Middle East & Africa), Asia Pacific and the Americas, with innovative solutions and digital platforms. Global Markets includes activities of Fixed Income, Currencies & Commodities and Equity & Prime Services.

Securities Services: BNP Paribas Securities Services is one of the major global players in securities services and provides integrated solutions for all actors involved in the investment cycle, sell side, buy side and issuers.

Goodwill impairment tests are based on three different methods: observation of transactions related to comparable businesses, share price data for listed companies with comparable businesses, and discounted future cash flows (DCF).

If one of the two comparables-based methods indicates the need for impairment, the DCF method is used to validate the results and determine the amount of impairment required.

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk (cash flows) based on medium-term business plans over a period of five years. Cash flow projections beyond the 5-year forecast period are based on a growth rate to perpetuity and are normalised when the short-term environment does not reflect the normal conditions of the economic cycle.

The key parameters which are sensitive to the assumptions made are the cost of capital, the cost/income ratio, the cost of risk and the growth rate to perpetuity.

Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each cash-generating unit. The values of these parameters are obtained from external information sources.

Allocated capital is determined for each cash-generating unit based on the "Common Equity Tier One" regulatory requirements for the legal entity to which the cash-generating unit belongs, with a minimum of 7%.

The growth rate to perpetuity used is 2% for mature economies in Europe. For CGUs implemented in countries with high levels of inflation, a specific add-on is taken into account (calculated according to inflation rates disclosed by external sources).

The following table shows the sensitivity of the valuation of the Personal Finance cash generating unit to changes in the value of parameters used in the DCF calculation: the cost of capital, the cost/income ratio in terminal value, the cost of risk in terminal value and the growth rate to perpetuity.

- **Sensitivity of the main goodwill valuations to a 10-basis point change in the cost of capital, a 1% change in the cost/income ratio in terminal value, a 5 % change of the cost of risk in terminal value and a 50-basis point change in the growth rate to perpetuity**

In millions of euros	Personal Finance
Cost of capital	**10.0%**
Adverse change (+10 basis points)	(216)
Positive change (- 10 basis points)	221
Cost/income ratio	**46.6%**
Adverse change (+ 1 %)	(458)
Positive change (-1 %)	458
Cost of risk	**(1,720)**
Adverse change (+ 5 %)	(530)
Positive change (- 5 %)	530
Growth rate to perpetuity	**2.1%**
Adverse change (-50 basis points)	(426)
Positive change (+50 basis points)	484

Concerning the homogeneous Personal Finance set, there would be no need to depreciate even by using, for the impairment test, the four most unfavourable variations in the table.

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4.p PROVISIONS FOR CONTINGENCIES AND CHARGES

- **Provisions for contingencies and charges by type**

In millions of euros	31 December 2020	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	31 December 2021
Provisions for employee benefits	6,604	1,226	(1,003)	(255)	(40)	6,532
of which post-employment benefits *(note 6.b)*	4,045	195	(230)	(249)	(34)	3,727
of which post-employment healthcare benefits *(note 6.b)*	148	3	(4)	(6)	(26)	115
of which provision for other long-term benefits *(note 6.c)*	1,220	384	(255)		15	1,364
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan *(note 6.d)*	468	47	(159)		(1)	355
of which provision for share-based payments *(note 6.e)*	723	597	(356)		6	970
Provisions for home savings accounts and plans	122	(29)				93
Provisions for credit commitments *(note 2.h)*	1,347	173	(53)		(42)	1,425
Provisions for litigations	519	558	(112)		27	992
Other provisions for contingencies and charges	956	344	(138)		(17)	1,145
Total provisions for contingencies and charges	**9,548**	**2,272**	**(1,306)**	**(255)**	**(72)**	**10,187**

- **Provisions and discount for home savings accounts and plans**

In millions of euros	31 December 2021	31 december 2020
Deposits collected under home savings accounts and plans	**17,378**	**18,203**
of which deposits collected under home savings plans	15,239	16,030
Aged more than 10 years	*5,652*	*5,333*
Aged between 4 and 10 years	*8,108*	*8,420*
Aged less than 4 years	*1,479*	*2,277*
Outstanding loans granted under home savings accounts and plans	**23**	**23**
of which loans granted under home savings plans	4	4
Provisions and discount recognised for home savings accounts and plans	**93**	**122**
provisions recognised for home savings plans	93	122
provisions recognised for home savings accounts	-	-
discount recognised for home savings accounts and plans	-	-

4.q OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

"Amounts set off on the balance sheet" have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The "impacts of master netting agreements and similar agreements" are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

"Financial instruments given or received as collateral" include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

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In millions of euros, at 31 December 2021	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	191,507		191,507			191,507
Loans and repurchase agreements	398,413	(148,605)	249,808	(34,906)	(194,920)	19,982
Derivative financial instruments (including derivatives used for hedging purposes)	711,002	(461,899)	249,103	(159,997)	(32,435)	56,671
Financial assets at amortised cost	944,261		944,261	(355)	(1,983)	941,923
of which repurchase agreements	*2,541*		*2,541*	*(355)*	*(1,983)*	*203*
Accrued income and other assets	179,123		179,123		(31,945)	147,178
of which guarantee deposits paid	*136,142*		*136,142*		*(31,945)*	*104,197*
Other assets not subject to offsetting	820,642		820,642			820,642
TOTAL ASSETS	**3,244,948**	**(610,504)**	**2,634,444**	**(195,258)**	**(261,283)**	**2,177,903**

In millions of euros, at 31 December 2021	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	112,338		112,338			112,338
Deposits and repurchase agreements	442,061	(148,605)	293,456	(34,156)	(241,481)	17,819
Issued debt securities	70,383		70,383			70,383
Derivative financial instruments (including derivatives used for hedging purposes)	709,373	(461,899)	247,474	(159,997)	(34,076)	53,401
Financial liabilities at amortised cost	1,123,383		1,123,383	(1,105)	(7,816)	1,114,462
of which repurchase agreements	*9,498*		*9,498*	*(1,105)*	*(7,816)*	*577*
Accrued expense and other liabilities	145,399		145,399		(30,655)	114,744
of which guarantee deposits received	*101,923*		*101,923*		*(30,655)*	*71,268*
Other liabilities not subject to offsetting	519,504		519,504			519,504
TOTAL LIABILITIES	**3,122,441**	**(610,504)**	**2,511,937**	**(195,258)**	**(314,028)**	**2,002,651**

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In millions of euros, at 31 December 2020	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	167,927		167,927			167,927
Loans and repurchase agreements	369,927	(125,049)	244,878	(42,976)	(190,936)	10,966
Derivative financial instruments (including derivatives used for hedging purposes)	688,709	(396,329)	292,380	(196,222)	(40,626)	55,532
Financial assets at amortised cost	946,831		946,831	(554)	(2,460)	943,817
of which repurchase agreements	*3,155*		*3,155*	*(554)*	*(2,460)*	*141*
Accrued income and other assets	140,904		140,904		(51,135)	89,769
of which guarantee deposits paid	*103,199*		*103,199*		*(51,135)*	*52,064*
Other assets not subject to offsetting	695,571		695,571			695,571
TOTAL ASSETS	**3,009,869**	**(521,378)**	**2,488,491**	**(239,752)**	**(285,157)**	**1,963,582**

In millions of euros, at 31 December 2020	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	94,263		94,263			94,263
Deposits and repurchase agreements	413,644	(125,049)	288,595	(42,250)	(231,061)	15,284
Repurchase agreements						
Issued debt securities	64,048		64,048			64,048
Derivative financial instruments (including derivatives used for hedging purposes)	692,258	(396,329)	295,929	(196,222)	(53,721)	45,986
Financial liabilities at amortised cost	1,088,648		1,088,648	(1,280)	(6,996)	1,080,372
of which repurchase agreements	*8,738*		*8,738*	*(1,280)*	*(6,996)*	*462*
Accrued expense and other liabilities	107,846		107,846		(36,263)	71,583
of which guarantee deposits received	*61,454*		*61,454*		*(36,263)*	*25,191*
Other liabilities not subject to offsetting	431,813		431,813			431,813
TOTAL LIABILITIES	**2,892,520**	**(521,378)**	**2,371,142**	**(239,752)**	**(328,041)**	**1,803,349**

4.r TRANSFERS OF FINANCIAL ASSETS

Financial assets that have been transferred but not derecognised by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions, as well as securitised assets. The liabilities associated to securities temporarily sold under repurchase agreements consist of debts recognised under the "repurchase agreements" heading. The liabilities associated to securitised assets consist of the securitisation notes purchased by third parties.

- **Securities lending, repurchase agreements and other transactions:**

In millions of euros, at	31 December 2021		31 December 2020	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations				
Financial instruments at fair value through profit or loss	7,382		5,890	
Financial assets at amortised cost	1,613		2,517	
Financial assets at fair value through equity	317		434	
Repurchase agreements				
Financial instruments at fair value through profit or loss	28,413	28,413	39,105	39,104
Financial assets at amortised cost	6,437	6,437	5,500	5,167
Financial assets at fair value through equity	1,524	1,524	1,117	1,086
Financial investments of insurance activities	6,180	6,226	6,872	6,842
Total	**51,866**	**42,600**	**61,435**	**52,199**

- **Securitisation transactions partially refinanced by external investors, whose recourse is limited to the transferred assets:**

In millions of euros, at 31 December 2021	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Financial assets at amortised cost	19,129	17,747	19,134	17,748	1,386
Total	**19,129**	**17,747**	**19,134**	**17,748**	**1,386**

In millions of euros, at 31 December 2020	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Financial assets at amortised cost	18,718	17,715	18,980	17,721	1,258
Total	**18,718**	**17,715**	**18,980**	**17,721**	**1,258**

There have been no significant transfers leading to partial or full derecognition of the financial assets in which the Bank has a continuing involvement.

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5. FINANCING AND GUARANTEE COMMITMENTS

5.a FINANCING COMMITMENTS GIVEN OR RECEIVED

Contractual value of financing commitments given and received by the Group:

In millions of euros	31 December 2021	31 December 2020
Financing commitments given		
- to credit institutions	**3,501**	**6,646**
- to customers	**362,902**	**343,480**
Confirmed financing commitments	328,741	306,312
Other commitments given to customers	34,161	37,168
Total financing commitments given	**366,403**	**350,126**
of which stage 1	*321,368*	*332,035*
of which stage 2	*22,529*	*15,440*
of which stage 3	*1,088*	*1,001*
of which insurance activities	*1,810*	*1,650*
of which financing commitments given associated with assets held for sale	*19,608*	
Financing commitments received		
- from credit institutions	**38,708**	**48,622**
- from customers	**6,729**	**5,511**
Total financing commitments received	**45,437**	**54,133**
of which financing commitments received associated with assets held for sale	*8,711*	-

5.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2021	31 December 2020
Guarantee commitments given		
- to credit institutions	**30,221**	**40,912**
- to customers	**141,074**	**120,045**
Property guarantees	2,474	2,758
Sureties provided to tax and other authorities, other sureties	64,571	62,803
Other guarantees	74,029	54,484
Total guarantee commitments given	**171,295**	**160,957**
of which stage 1	*159,247*	*152,288*
of which stage 2	*10,953*	*7,305*
of which stage 3	*833*	*1,364*
of which insurance activities	*262*	-
of which guarantee commitments given associated with assets held for sale	-	

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5.c SECURITIES COMMITMENTS

In connection with the settlement date accounting for securities, commitments representing securities to be delivered or securities to be received are the following:

In millions of euros	31 December 2021	31 December 2020
Securities to be delivered	11,608	6,089
Securities to be received	10,604	7,857

5.d OTHER GUARANTEE COMMITMENTS

- **Financial instruments given as collateral:**

In millions of euros	31 December 2021	31 December 2020
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut	**158,111**	**150,370**
- Used as collateral with central banks	120,777	103,321
- Available for refinancing transactions	37,334	47,049
Securities sold under repurchase agreements	**457,168**	**439,642**
Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group (1)	**231,877**	**212,169**

(1) Notably including "Société de Financement de l'Économie Française" and "Caisse de Refinancement de l'Habitat" financing.

The fair value of financial instruments given as collateral or transferred under repurchase agreements by the Group that the beneficiary is authorised to sell or reuse as collateral amounted to EUR 610,170 million at 31 December 2021 (EUR 579,622 million at 31 December 2020).

- **Financial instruments received as collateral:**

In millions of euros	31 December 2021	31 December 2020
Financial instruments received as collateral (excluding repurchase agreements)	**212,910**	**234,212**
of which instruments that the Group is authorised to sell and reuse as collateral	*99,407*	*119,915*
Securities received under repurchase agreements	**418,435**	**408,394**

The fair value of financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 328,084 million at 31 December 2021 (compared with EUR 382,304 million at 31 December 2020).

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6. SALARIES AND EMPLOYEE BENEFITS

6.a SALARY AND EMPLOYEE BENEFIT EXPENSE

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
Fixed and variable remuneration, incentive bonuses and profit-sharing	12,379	11,951
Employee benefit expense	3,508	3,469
Payroll taxes	530	522
Total salary and employee benefit expense	**16,417**	**15,942**

6.b POST-EMPLOYMENT BENEFITS

IAS 19 distinguishes between two categories of plans, each handled differently depending on the risk incurred by the entity. When the entity is committed to paying a fixed amount, stated as a percentage of the beneficiary's annual salary, for example, to an external entity handling payment of the benefits based on the assets available for each plan member, it is described as a defined-contribution plan. Conversely, when the entity's obligation is to manage the financial assets funded through the collection of contributions from employees and to bear the cost of benefits itself or to guarantee the final amount subject to future events, it is described as a defined-benefit plan. The same applies, if the entity entrusts management of the collection of premiums and payment of benefits to a separate entity, but retains the risk arising from management of the assets and/or from future changes in the benefits.

- **Main Defined-contribution pension plans for Group entities**

The BNP Paribas Group has implemented over the past few years a wide campaign of converting defined-benefit plans into defined-contribution plans.

Thus, in France, the BNP Paribas Group pays contributions to various nationwide basic and top-up pension schemes. BNP Paribas SA and certain subsidiaries have set up a funded pension plan under a company-wide agreement. Under this plan, employees will receive an annuity on retirement in addition to the pension paid by nationwide schemes.

Since defined-benefit plans have been closed to new employees in most countries outside France, they are offered the benefit of joining defined-contribution pension plans.

The amount paid into defined-contribution post-employment plans for the year ended 31 December 2021 was EUR 670 million, compared with EUR 661 million for the year ended 31 December 2020.

The breakdown by major contributors is determined as follows:

Contribution amount in millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 restated according to IFRS 5
France	349	334
Italy	94	95
UK	56	54
Turkey	25	28
Hong-Kong	22	25
Luxembourg	22	25
USA	11	11
Others	91	89
TOTAL	**670**	**661**

In Italy, the plan introduced by BNL is funded by employer contributions (4.2% of salaries) and employee contributions (2% of salaries). Employees can also make additional voluntary contributions.

In the United Kingdom, the employer contributes 12% of salaries for the majority of employees; employees can make additional voluntary contributions.

In the US, the bank matches the voluntary contributions made by employees, within certain limits.

- **Main defined-benefit pension plans for Group entities, of which indemnities payable on retirement**

- Defined-benefit plans

In Belgium, BNP Paribas Fortis funds a defined-benefit plan, based on final salary and number of years of service, for its management and employees who joined the bank before its pension plans were harmonised on 1 January 2002. Actuarial liabilities under this scheme are pre-funded at 93% at 31 December 2021 (compared with 97% at 31 December 2020) through AG Insurance, in which the BNP Paribas Group owns a 25% equity interest.

BNP Paribas Fortis senior managers are covered by a top-up pension plan, paying a lump sum based on the number of years of service and final salary. This plan is pre-funded at 100% as at 31 December 2021 (101% at 31 December 2020) through insurance companies.

Since 1 January 2015, senior managers benefit from a defined-contribution scheme. The other employees benefit as well from the defined-contribution scheme. Since there is a legal obligation for the employer to guarantee a minimum return on financial assets invested under defined-benefit pension plans, a provision was recognised for these defined-contribution schemes, as this guarantee is not entirely covered by the insurance company.

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees and active employees in service at that date. At 31 December 2021, the Group's residual obligations for these employees were recognised on the balance sheet in full.

The defined-benefit plans previously granted to some Group senior managers have all been closed to new employees and converted into top-up type schemes. The amounts allocated to residual beneficiaries, subject to their presence within the Group at retirement, were fixed when these schemes were closed. At 31 December 2021, 148% of these pension plans were funded through insurance companies (130% at 31 December 2020).

In the United Kingdom, defined-benefit pension plans (pension funds) still exist but are closed to new employees. Under these plans, the defined pension is generally based on final salary and number of years of service. Pension schemes are managed by independent management bodies (Trustees). At 31 December 2021, obligations for all UK entities were 127% covered by financial assets, compared with 112% at 31 December 2020.

In Switzerland, liabilities relate to top-up pension plans based on the principle of defined-contribution schemes with guaranteed returns, paying an annuity under pre-defined terms. These schemes are managed by a foundation. At 31 December 2021, obligations were 102% covered by financial assets, compared with 95% at 31 December 2020.

In the United States, defined-benefit pension plans are based on annual vesting rights to a lump sum comprising a pension expressed as a percentage of annual salary and paying interest at a pre-defined rate. These plans are closed to new entrants and have offered almost no new vesting rights. At 31 December 2021, the obligation was 95% covered by financial assets, (96% at 31 December 2020).

In Germany, liabilities are mainly related to defined-benefit pension plans, closed to new employees. Under these plans, the defined pension is generally based on the number of years of service and final salary. They offer the payment of an annuity under pre-defined terms. At 31 December 2021, the obligation was 55% covered by financial assets, (51% at 31 December 2020).

In Turkey, the pension plan replaces the national pension scheme (these obligations are measured based on the terms of the eventual transfer to the Turkish State) and offers guarantees exceeding the minimal legal requirements. At the end of 2021, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceed the related obligations, but this surplus is not recognised as an asset by the Group.

- Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement, determined according to minimal legal requirements (Labour Code, collective agreements) or according to specific company-level agreements.

In France, the obligations for these benefits are funded through a contract held with a third-party insurer. At 31 December 2021, this obligation was 108% covered by financial assets, compared with 96% at 31 December 2020.

In May 2021, IFRIC issued its decision on the method of assessing the liability to be recognised under certain post-employment benefit plans.

This decision modifies the measurement of the obligations of the Group's French entities relating to indemnities payable on retirement, whose fee schedule is either capped in terms of total length of service, or composed of steps of incremental rights, or both, by specifying the timing of recording of the corresponding costs.

Its implementation led, as at 1 January 2021, to a decrease in the present value of the gross obligation of EUR 96 million, recognised as an increase in reserves for an after-tax amount of EUR 74 million.

In other countries, the gross obligations of the Group related to post-employment benefits are mainly concentrated in Italy. They are representative of rights vested up to 31 December 2006, when pension reforms changed Italian termination indemnity schemes into defined-contribution plans.

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- **Obligations under defined-benefit plans and other post-employment benefits**

- Assets and liabilities recognised on the balance sheet

In millions of euros, at 31 December 2021	*Defined-benefit obligation arising from wholly or partially funded plans*	*Defined-benefit obligation arising from unfunded plans*	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights (1)	Effect of asset ceiling	Net obligation	*of which asset recognised in the balance sheet for defined-benefit plans*	*of which net assets of defined-benefit plans*	*of which fair value of reimbursement rights*	*of which obligation recognised in the balance sheet for defined-benefit plans*
Belgium	*3,189*		3,189	(157)	(2,930)		102	(2,930)		*(2,930)*	3,032
UK	*1,769*		1,769	(2,248)			(479)	(481)	*(481)*		2
France	*1,058*	*81*	1,139	(1,175)			(36)	(191)	*(191)*		155
Switzerland	*1,146*		1,146	(1,172)		29	3				3
USA	*572*	*79*	651	(579)			72	(16)	*(16)*		88
Italy		*238*	238				238				238
Germany	*132*	*71*	203	(112)			91				91
Turkey	*134*	*32*	166	(238)		104	32				32
Others	*504*	*55*	559	(401)	(2)		156	(8)	*(6)*	*(2)*	164
TOTAL	***8,504***	***556***	**9,060**	**(6,082)**	**(2,932)**	**133**	**179**	**(3,626)**	***(694)***	***(2,932)***	**3,805**
of which continuing activities	***8,129***	***479***	**8,608**	**(5,691)**	**(2,932)**	**133**	**118**	**(3,609)**	***(677)***	***(2,932)***	**3,727**
of which discontinued activities	***375***	***77***	**452**	**(391)**	**-**	**-**	**61**	**(17)**	***(17)***	***-***	**78**

In millions of euros, at 31 December 2020	*Defined-benefit obligation arising from wholly or partially funded plans*	*Defined-benefit obligation arising from unfunded plans*	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights (1)	Effect of asset ceiling	Net obligation	*of which asset recognised in the balance sheet for defined-benefit plans*	*of which net assets of defined-benefit plans*	*of which fair value of reimbursement rights*	*of which obligation recognised in the balance sheet for defined-benefit plans*
Belgium	*3,209*	*24*	3,233	(127)	(3,048)		58	(3,048)		*(3,048)*	3,106
UK	*1,852*	*1*	1,853	(2,066)			(213)	(231)	*(231)*		18
France	*1,214*	*88*	1,302	(1,187)			115	(64)	*(64)*		179
Switzerland	*1,153*	*1*	1,154	(1,099)		4	59				59
USA	*543*	*82*	625	(538)			87	(2)	*(2)*		89
Italy		*271*	271				271				271
Germany	*143*	*78*	221	(113)			108				108
Turkey	*148*	*32*	180	(331)		182	31				31
Others	*539*	*50*	589	(409)	(2)		178	(6)	*(4)*	*(2)*	184
TOTAL	***8,801***	***627***	**9,428**	**(5,870)**	**(3,050)**	**186**	**694**	**(3,351)**	***(301)***	***(3,050)***	**4,045**
of which continuing activities	***8,431***	***547***	**8,978**	**(5,500)**	**(3,050)**	**186**	**614**	**(3,349)**	***(299)***	***(3,050)***	**3,963**
of which discontinued activities	***370***	***80***	**450**	**(370)**	**-**	**-**	**80**	**(2)**	***(2)***	***-***	**82**

(1) The reimbursement rights are principally found on the balance sheet of the Group's insurance subsidiaries and associated companies - notably AG Insurance with respect to BNP Paribas Fortis' defined-benefit plan - to hedge their commitments to other Group entities that were transferred to them to cover the post-employment benefits of certain employee categories.

- Change in the present value of the defined-benefit obligation including discontinued activities

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Present value of defined-benefit obligation at start of period	**9,428**	**9,438**
Current service cost	222	232
Interest cost	61	90
Past service cost	(1)	(50)
Settlements	(25)	(47)
Actuarial (gains)/losses on change in demographic assumptions	(24)	(1)
Actuarial (gains)/losses on change in financial assumptions	(327)	537
Actuarial (gains)/losses on experience gaps	195	(72)
Actual employee contributions	22	24
Benefits paid directly by the employer	(105)	(109)
Benefits paid from assets/reimbursement rights	(419)	(434)
Exchange rate (gains)/losses on obligation	108	(198)
(Gains)/losses on obligation related to changes in the consolidation scope	21	18
Others [(1)]	(96)	-
Present value of defined-benefit obligation at end of period	**9,060**	**9,428**

[(1)] Impact of the May 2021 IFRIC decision.

- Change in the fair value of plan assets and reimbursement rights including discontinued activities

	Plan assets		Reimbursement rights	
In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Fair value of assets at start of period	**5,870**	**5,909**	**3,050**	**3,002**
Expected return on assets	73	95	2	13
Settlements	(26)	(42)		
Actuarial gains/(losses) on assets	216	325	(29)	113
Actual employee contributions	13	14	9	9
Employer contributions	65	62	98	110
Benefits paid from assets	(220)	(235)	(199)	(199)
Exchange rate gains/(losses) on assets	70	(260)		
Gains/(losses) on assets related to changes in the consolidation scope	21	2	1	2
Others				
Fair value of assets at end of period	**6,082**	**5,870**	**2,932**	**3,050**

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- Components of the cost of defined-benefit plans

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Service costs	**222**	**177**
Current service cost	222	232
Past service cost	(1)	(50)
Settlements	1	(5)
Net financial expense	**9**	**7**
Interest cost	61	90
Interest income on plan asset	23	25
Interest income on reimbursement rights	(73)	(95)
Expected return on asset ceiling	(2)	(13)
Total recognised in salary and employee benefit expense	**231**	**184**
of which continuing activities	**228**	**181**
of which discontinued activities	**3**	**3**

- Other items recognised directly in equity

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Actuarial (losses)/gains on plan assets or reimbursement rights	187	438
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	24	1
Actuarial (losses)/gains of financial assumptions on the present value of obligations	327	(537)
Experience (losses)/gains on obligations	(195)	72
Variation of the effect of assets limitation	27	15
Total of other items recognised directly in equity	**370**	**(11)**
of which continuing activities	**350**	**(34)**
of which discontinued activities	**20**	**23**

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- Main actuarial assumptions used to calculate obligations

In the eurozone, United Kingdom and United States, the Group discounts its obligations using the yields of high quality corporate bonds, with a term consistent with the duration of the obligations.

The ranges of rates used are as follows:

In %	31 December 2021		31 December 2020	
	Discount rate	Compensation increase rate [(1)]	Discount rate	Compensation increase rate [(1)]
Belgium	0.00% / 1.10%	2.90% / 3.60%	0.00% / 0.80%	2.60% / 3.20%
UK	1.30% / 1.90%	2.00% / 3.50%	0.30% / 1.50%	2.00% / 3.20%
France	0.10% / 1.10%	1.40% / 3.25%	0.00% / 0.50%	1.40% / 2.95%
Switzerland	0.20% / 0.30%	1.50%	0.05% / 0.10%	1.50%
USA	2.60% / 2.90%	2.50%	1.40% / 2.50%	4.00%
Italy	0.30% / 1.00%	1.80% / 2.50%	0.00% / 0.60%	1.50% / 2.40%
Germany	0.60% / 1.10%	1.80% / 2.50%	0.30% / 0.80%	2.00% / 2.50%
Turkey	20.01%	17.03%	14.50%	11.03%

[(1)] Including price increases (inflation)

Observed weighted average rates are as follows:

- In the eurozone: 0.60% at 31 December 2021 (0.15% at 31 December 2020),
- In the United Kingdom: 1.88% at 31 December 2021 (1.31% at 31 December 2020),
- In Switzerland: 0.30% at 31 December 2021 (0.05% at 31 December 2020).

The impact of a 100 bp change in discount rates on the present value of post-employment benefit obligations is as follows:

Change in the present value of obligations In millions of euros	31 December 2021		31 December 2020	
	Discount rate -100bp	Discount rate +100bp	Discount rate -100bp	Discount rate +100bp
Belgium	327	(266)	314	(274)
UK	403	(302)	443	(330)
France	129	(107)	149	(125)
Switzerland	177	(140)	163	(143)
USA	30	(24)	79	(65)
Italy	18	(16)	19	(18)
Germany	41	(32)	43	(36)
Turkey	15	(12)	16	(13)

- Actual rate of return on plan assets and reimbursement rights over the period

In %	Year to 31 Dec. 2021		Year to 31 Dec. 2020	
	Range of value (reflecting the existence of several plans in the same country)	Weighted average rates	Range of value (reflecting the existence of several plans in the same country)	Weighted average rates
Belgium	-5.65% / 13.35%	0.45%	-3.90% / 4.85%	4.30%
UK	6.60% / 14.80%	7.70%	-4.95% / 12.10%	11.10%
France	2.00%	2.00%	3.25% / 3.35%	3.35%
Switzerland	1.00 % / 9.45%	7.85%	1.50 % / 3.25%	3.25%
USA	2.00%	2.00%	11.75% / 18.60%	14.20%
Germany	-6.65% / 5.25%	4.60%	0.40% / 2.95%	0.55%
Turkey	20.60%	20.60%	12.85%	12.85%

- Breakdown of plan assets

In %	31 December 2021						31 December 2020					
	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others
Belgium	7%	53%	14%	1%	0%	25%	6%	52%	17%	1%	0%	24%
UK	8%	72%	8%	0%	2%	10%	8%	72%	8%	0%	1%	11%
France[(1)]	7%	69%	16%	8%	0%	0%	5%	72%	15%	8%	0%	0%
Switzerland	36%	0%	26%	20%	4%	14%	36%	0%	26%	20%	4%	14%
USA	18%	0%	73%	1%	6%	2%	23%	15%	55%	0%	3%	4%
Germany	23%	66%	0%	0%	2%	9%	26%	64%	0%	0%	1%	9%
Turkey	0%	0%	0%	4%	93%	3%	0%	0%	0%	4%	94%	2%
Others	9%	17%	10%	2%	2%	60%	9%	15%	11%	1%	3%	61%
GROUP	**11%**	**49%**	**15%**	**4%**	**4%**	**17%**	**11%**	**47%**	**17%**	**4%**	**5%**	**16%**

[(1)] In France, the breakdown of plan assets reflects the breakdown of the general fund of the insurance company through which the Group's obligations are funded.

The Group introduced an asset management governance for assets backing defined-benefit pension plan commitments, the main objectives of which are the management and control of the risks in terms of investment.

It sets out investment principles, in particular, by defining an investment strategy for plan assets, based on financial objectives and financial risk management, to specify the way in which plan assets have to be managed, via financial management servicing contracts.

The investment strategy is based on an assets and liabilities management analysis that should be realised at least every three years for plans with assets in excess of EUR 100 million.

- **Post-employment healthcare benefits**

The Group offers some healthcare benefit plans for retired employees, mainly in Belgium.

The present value of post-employment healthcare benefit obligations stood at EUR 115 million at 31 December 2021, compared with EUR 148 million at 31 December 2020.

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6.c OTHER LONG-TERM BENEFITS

BNP Paribas offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated. The net provision amounted to EUR 457 million at 31 December 2021 (EUR 443 million at 31 December 2020).

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks. Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and Group.

Since 2013, BNP Paribas has introduced a Group loyalty scheme with a cash payment, at the end of a three-year vesting period, which fluctuates according to the Group's intrinsic performance. The aim of this loyalty scheme is to make different categories of managerial staff partners in the Group's development and profitability objectives. These personnels are representative of the Group's talent and the breadth of its managerial framework i.e. senior managers, managers in key positions, line managers and experts, high-potential managers, high-performing young executives with good career development prospects and key contributors to the Group's results.

The amounts allocated under this plan are linked to changes in the Group's operational performance over three years (for 80%) and to the achievement of the Group's Corporate Social Responsibility (CSR) targets (for 20%). These nine targets are in line with the four pillars on which the Group's CSR policy is based. In addition, the final payment is subject to continuous service within the Group between the grant date and the payment date, provided that the Group's operating income and pre-tax income for the year prior to payment are strictly positive. For employees subject to special regulatory frameworks, this loyalty scheme is adjusted in accordance with the CRD4 European Directive.

The net obligation related to deferred compensation plans and loyalty schemes amounts to EUR 817 million at 31 December 2021 (EUR 694 million at 31 December 2020).

In millions of euros	31 December 2021	31 December 2020
Net provisions for other long-term benefits	**1,274**	**1,137**
Asset recognised in the balance sheet under the other long-term benefits	(90)	(83)
Obligation recognised in the balance sheet under the other long-term benefits	1,364	1,220

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6.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans and headcount adaptation plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for as soon as a bilateral agreement or a bilateral agreement proposal for a particular plan is made.

In millions of euros	31 December 2021	31 December 2020
Provision for voluntary departure, early retirement plans, and headcount adaptation plans	355	468

6.e SHARE-BASED PAYMENTS

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

- Variable compensation for employees, subject to special regulatory frameworks

Since the publication of the Decree by the French ministry of finance on 13 December 2010, and following the provisions of the European Directive CRD4 of 26 July 2013 transposed into the French law in the Monetary and Financial Code by the Order of 20 February 2014 as well as the Decrees and Orders of 3 November 2014 and the delegated European regulation of 4 March 2014, the variable compensation plans apply to Group employees performing activities that may have a material impact on the Group's risk profile.

Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, core businesses and Group.

Sums will mostly be paid in cash linked to the increase or decrease in the BNP Paribas share price.

- Deferred variable compensation for other Group employees

Sums due under the annual deferred compensation plans for high-performing employees are partly paid in cash linked to the increase or decrease in the BNP Paribas share price.

- **Expense of share-based payments**

Expense / (revenue) in millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Prior deferred compensation plans	67	(110)
Deferred compensation plans for the year	530	441
Total	597	331

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7. ADDITIONAL INFORMATION

7.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 31 December 2021, the share capital of BNP Paribas SA amounts to EUR 2,468,663,292, and was divided into 1,234,331,646 shares. The nominal value of each share is EUR 2 (EUR 2,499,597,122 and 1,249,798,561 shares at 31 December 2020).

- **Ordinary shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions (1)		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2019	**726,451**	**38**	**481,070**	**25**	**1,207,521**	**63**
Disposals	(4,480)				(4,480)	
Net movements			498,244	17	498,244	17
Shares held at 31 December 2020	**721,971**	**38**	**979,314**	**42**	**1,701,285**	**80**
Acquisitions	15,466,915	900			15,466,915	900
Capital decrease	(15,466,915)	(900)			(15,466,915)	(900)
Net movements			(979,314)	(42)	(979,314)	(42)
Shares held at 31 December 2021	**721,971**	**38**	**-**	**-**	**721,971**	**38**

(1) Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

Throughout the fourth quarter of 2021, BNP Paribas SA bought back on the market and cancelled 15 466 915 of its own shares in accordance with the decision made by the Board of Directors on 28 September 2021.

At 31 December 2021, the Group holds 721,971 BNP Paribas shares representing an amount of EUR 38 million, which are recognised as a decrease in equity.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group's foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled.

On 15 April 2021, BNP Paribas Personal Finance redeemed the issues, for an amount of EUR 80 million. These notes paid a TEC 10 rate coupon.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas SA has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a coupon indexed to Euribor, Libor or a swap rate or a fixed-rate coupon.

On 25 February 2020, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,750 million which pay a 4.5% fixed-rate coupon. These notes could be redeemed at the end of a period of 10 years. If the notes are not redeemed in 2030, a US 5-year Constant Maturity Treasury rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 17 October 2020, BNP Paribas SA redeemed the October 2005 issue, for an amount of USD 400 million. These notes paid a 6.25% fixed-rate coupon.

On 19 February 2021, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,250 million which pay a 4.625% fixed-rate coupon. These notes could be redeemed at the end of a period of 10 years. If the notes are not redeemed in 2031, a US 5-year Constant Maturity Treasury rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 8 March 2021, BNP Paribas SA redeemed the June 2007 issue, for an amount of USD 600 million. These notes paid a 6.5% fixed-rate coupon.

On 30 March 2021, BNP Paribas SA redeemed the March 2016 issue, for an amount of USD 1,500 million, before the first call date. These notes paid a 7.625% fixed-rate coupon.

On 3 January 2022, BNP Paribas SA redeemed the July 2006 and June 2007 issues, for EUR 50 million and USD 1,100 million respectively. These notes are not eligible to Additional Tier 1 capital at 31 December 2021.

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- The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap + 5.230%
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap + 5.150%
December 2016	USD	750	semi-annual	6.750%	5.25 years	USD 5-year swap +4.916%
November 2017	USD	750	semi-annual	5.125%	10 years	USD 5-year swap +2.838%
August 2018	USD	750	semi-annual	7.000%	10 years	USD 5-year swap + 3.980%
March 2019	USD	1,500	semi-annual	6.625%	5 years	USD 5-year swap + 4.149%
July 2019	AUD	300	semi-annual	4.500%	5,5 years	AUD 5-year swap + 3.372%
February 2020	USD	1,750	semi-annual	4.500%	10 years	US 5 years CMT + 2.944%
February 2021	USD	1,250	semi-annual	4.625%	10 years	US 5 years CMT + 3.340%
Total at 31 December 2021 in euro-equivalent historical value		**9,207** (1)				

(1) Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under "Capital and retained earnings". In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2021, the BNP Paribas Group held EUR 14 million of Undated Super Subordinated Notes which were deducted from shareholders' equity.

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- **Earnings per share**

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Net profit used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* (1)	**9,052**	**6,626**
Weighted average number of ordinary shares outstanding during the year	**1,247,014,704**	**1,247,821,717**
Effect of potentially dilutive ordinary shares	-	206
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,247,014,704**	**1,247,821,923**
Basic earnings per share *(in euros)*	**7.26**	**5.31**
of which continuing activities *(in euros)*	6.68	5.01
of which discontinued activities *(in euros)*	0.58	0.30
Diluted earnings per share *(in euros)*	**7.26**	**5.31**
of which continuing activities *(in euros)*	6.68	5.01
of which discontinued activities *(in euros)*	0.58	0.30

(1) The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange gain or loss impact recognised directly in shareholders' equity in case of repurchase.

The dividends per share paid in June and September 2021 out of the 2020 net income amounted to EUR 1.11 and EUR 1.55 respectively, totalling EUR 2.66.
In accordance with the Annual General Meeting of 19 May 2020, no dividend was paid out of the 2019 net income.

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7.b LEGAL PROCEEDINGS AND ARBITRATION

BNP Paribas (the "Bank") is party as a defendant in various claims, disputes and legal proceedings (including investigations by judicial or supervisory authorities) in a number of jurisdictions arising in the ordinary course of its business, including inter alia in connection with its activities as market counterparty, lender, employer, investor and taxpayer.

The related risks have been assessed by the Bank and are subject, where appropriate, to provisions disclosed in note 4.p "Provisions for liabilities and charges" of the consolidated Financial Statements at 31 December 2021; a provision is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made of the amount of the obligation.

The main contingent liabilities related to pending legal, governmental, or arbitral proceedings as of 31 December 2021 are described below. The Bank currently considers that none of these proceedings is likely to have a material adverse effect on its financial position or profitability; however, the outcome of legal or governmental proceedings is by definition unpredictable.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court for the Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount initially sought to be recovered in these actions approximated USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

In two decisions dated 22 November 2016 and 3 October 2018, the Bankruptcy Court rejected most of the claims brought by the BLMIS Trustee against BNP Paribas entities. On 25 February 2019 the United States Court of Appeals for the Second Circuit reversed the Bankruptcy Court's 22 November 2016 decision. On 29 August 2019 the defendants filed a petition with the Supreme Court requesting that it review the Second Circuit's decision but this was denied by the Court. By common agreement amongst the parties all proceedings were stayed pending a decision by the Court of Appeals regarding a separate proceeding between the Trustee and a third party addressing legal issues related to the 3 October 2018 decision of the Bankruptcy Court which could affect the Trustee's clawback claims against the Bank. On 30 August 2021, the United States Court of Appeals for the Second Circuit issued its decision in that proceeding, which effectively overrules the 3 October 2018 decision of the Bankruptcy Court by instructing the Bankruptcy Court on the legal standard that it should have applied to the Trustee's claims. The Trustee may therefore seek to re-file certain claims that were previously dismissed by the Bankruptcy Court under the prior legal standard.

Litigation was brought in Belgium by minority shareholders of the previous Fortis Group against the Société fédérale de Participations et d'Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016, the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. The criminal proceeding, in which the Public Prosecutor had requested a dismissal, is now definitively closed, as the Council Chamber of the Brussels Court of first instance issued on 4 September 2020 a ruling (which has since become final) that the charges were time-barred. Certain minority shareholders are continuing the civil proceedings against BNP Paribas and the Société fédérale de Participations et d'Investissement before the Brussels Commercial court; BNP Paribas continues to defend itself vigorously against the allegations of these shareholders.

Like many other financial institutions in the banking, investment, mutual funds and brokerage sectors, the Bank has received or may receive requests for information from, or be subject to investigations by supervisory, governmental or self-regulatory agencies. The Bank responds to such requests, and cooperates with the relevant authorities and regulators and seeks to address and remedy any issues that may arise.

On 26 February 2020, the Paris Criminal Court found BNP Paribas Personal Finance guilty of misleading commercial practice and concealment of this practice. BNP Paribas Personal Finance was ordered to pay a fine of EUR 187,500 and damages and legal fees to the civil plaintiffs. The damages award was of immediate effect. BNP Paribas Personal Finance filed an appeal on the merits on 6 March 2020. It also sought to suspend the immediate effectiveness of the judgment, which the court rejected by decision dated 25 September 2020. BNP Paribas Personal Finance paid to the civil plaintiffs the damages awarded, without prejudice to the pending appeal before the Court of Appeal of Paris and to the civil legal proceedings that are otherwise ongoing.

There are no other legal, governmental or arbitral proceedings (including any such proceedings which are pending or threatened) that could have, or during the last twelve months have had, significant effects on the Bank's financial condition or profitability.

7.c BUSINESS COMBINATIONS AND LOSS OF CONTROL OR SIGNIFICANT INFLUENCE

- **Verner Investissements**

On 13 July 2021, BNP Paribas SA purchased the residual 50% stake in Verner Investissements, the holding company of Exane entities.

The Group BNP Paribas has therefore taken exclusive control of this entity and fully consolidates it from the second half of 2021.

The Group's balance sheet increased by EUR 6 billion at acquisition date, in particular EUR 3.7 billion in financial assets at fair value through profit or loss.

The acquisition of control over the group is analysed as the disposal of previously held share and a new acquisition on the date of the acquisition of control.

The first consolidation in full integration requires a revaluation at fair value of all assets and liabilities of Verner Investissements. The difference between revalued net equity and the amount of securities generates a negative goodwill of EUR 111 million recognised in the profit and loss account.

Including the loss on disposal of equity method, the net impact on net income is EUR -51 million.

- **Allfunds Group Plc**

On 3 October 2020, a new partnership was established between BNP Paribas and Allfunds (AFB), a European market leader in fund distribution platforms. This operation generated an overall gain of EUR 371 million before tax, recognised in the profit and loss account.

At 31 December 2020, BNP Paribas held a stake of 22.5% in AFB UK Ltd and exercised a significant influence.

On 23 April 2021, the Group participated in the initial public offering of Allfunds, contributing 6.7% of the capital. Following this operation, the Group retains a significant influence and holds 15.8% of the capital of AFB Group Plc. This operation generated an overall gain of EUR 300 million before tax, recognised in the profit and loss account.

On 16 September 2021, the Group sold a stake of 2% of Allfunds and retains a significant influence with 13.8% of the capital of AFB Group Plc. This operation generated an overall gain of EUR 144 million before tax, recognised in the profit and loss account.

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7.d DISCONTINUED ACTIVITIES

On 18 December 2021, BNP Paribas concluded an agreement with BMO Financial Group for the sale of 100% of its retail and commercial banking activities in the United States, operated by the BancWest cash-generating unit, for a total consideration of USD 16.3 billion in cash.

The transaction is expected to formally close during 2022, subject to customary conditions precedent, including approval by the competent authorities. The Group therefore considers that the loss of control within one year is highly probable.

The group of assets covered by the agreement comprises most of the entities of the homogeneous BancWest set (see reference D2 in note 7.1 *Scope of consolidation*). BancWest is therefore classified as a discontinued activity (see note 1.i *Assets held for sale and discontinued operations*).

As required by IFRS 5 related to groups of assets and liabilities held for sale, the Group's consolidated financial statements are adapted to present BancWest separately:

- the assets are reclassified on a separate line of the balance sheet “Assets held for sale”;
- the liabilities are also reclassified in a separate line "Liabilities associated with assets held for sale";
- amounts accounted for in equity for the revaluation of assets and liabilities are presented separately in the statement of net income and changes in assets and liabilities recognised directly in equity. This presentation is also carried out for 2020;
- revenues and expenses are reclassified in a separate line "Net income from discontinued activities" in the profit and loss statement. This income includes revenues and expenses from internal transactions with BancWest, provided that, following the sale, the Group will no longer receive these revenues or incur these expenses. This reclassification is also carried out for 2020;
- The net change in cash and cash equivalents is isolated in the cash flow statement. This is also carried out for 2020.

- **Net income from discontinued activities**

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Revenues	**2,473**	**2,496**
Operating Expenses and Dep.	(1,645)	(1,689)
Gross Operating Income	**828**	**807**
Cost of Risk	46	(322)
Operating Income	**874**	**485**
Net gain on non-current assets	19	
Pre-tax Income	**893**	**485**
Corporate income tax	(173)	(106)
Net income from discontinued activities	**720**	**379**

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- **Statement of net income and changes in assets and liabilities recognised directly in equity of discontinued activities**

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Net income from discontinued activities	**720**	**379**
Changes in assets and liabilities recognised directly in equity of discontinued activities	**580**	**(637)**
Items that are or may be reclassified to profit or loss	**571**	**(658)**
- Changes in fair value through profit or loss	739	(793)
- Changes in fair value of financial assets through equity		
Changes in fair value recognised in equity	*(173)*	*136*
Changes in fair value reported in profit or loss	*(30)*	*(50)*
- Deferred value changes in hedging derivatives		
Changes in fair value recognised in equity	*(61)*	*98*
Changes in fair value reported in profit or loss		
- Income taxes	96	(49)
Items that will not be reclassified to profit or loss	**9**	**21**
- Revaluation effects on post-employment benefit plans	12	32
- Income taxes	(3)	(11)
Total	**1,300**	**(258)**

- **Balance sheet of discontinued activities**

In millions of euros	31 December 2021
Cash and balances at central banks	14,654
Financial assets at fair value through equity	5,009
Financial assets at amortised cost	65,775
Property, plan and equipment	428
Intangible assets and goodwill	2,770
Other assets	2,631
Total assets held for sale	**91,267**
Financial liabilities at amortised cost	73,041
Other liabilities	1,325
Total liabilities associated with assets held for sale	**74,366**

- **Changes in assets and liabilities recognized directly in equity of discontinued activities as at 31 December 2021**

In millions of euros	31 December 2021
Items that are or may be reclassified to profit or loss	**608**
Exchange differences	687
Financial assets at fair value through equity	(41)
Derivatives used for hedging purposes	(38)
Items that will not be reclassified to profit or loss	**(125)**
Remeasurement gains (losses)related to postemployment benefits plans	(125)
Changes in assets and liabilities recognised directly in equity of discontinued activities	**483**

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- **Financial assets at amortised cost classified as "Assets held for sale"**

In millions of euros	31 December 2021		
	Gross Value	Impairment	Carrying amount
Loans and advances to credit institutions	**52**	**-**	**52**
Stage 1	52	-	52
Loans and advances to customers	**50,530**	**(476)**	**50,054**
Stage 1	45,751	(172)	45,579
Stage 2	4,370	(217)	4,153
Stage 3	409	(87)	322
Debt securities	**15,669**	**-**	**15,669**
Stage 1	15,669	-	15,669
Total financial assets at amortised cost	**66,251**	**(476)**	**65,775**

- **Cash flows from discontinued activities**

In millions of euros	Year to 31 Dec. 2021	Year to 31 Dec. 2020 *restated according to IFRS 5*
Net increase in cash and cash equivalents generated by operating activities	9,772	4,386
Net decrease in cash and cash equivalents related to investing activities	(111)	(229)
Increase (Decrease) in cash and cash equivalents related to financing activities	406	(1,676)
Effect of movement in exchange rates on cash and cash equivalents	672	(289)
Net increase in cash and cash equivalents from discontinued activities	**10,739**	**2,192**

7.e EVENTS AFTER THE REPORTING PERIOD

- **Bpost Banque**

On 3 January 2022, BNP Paribas Fortis purchased the residual 50% stake in Bpost Banque, leading to the exclusive control and a full consolidation of this entity from 2022.

This operation will enable the Group to optimise Belgium Retail Banking activity.

The estimated impact on the Group's balance sheet at acquisition date is approximately EUR 12 billion, of which EUR 8 billion in Loans and advances to customers at amortised cost.

This operation generates an estimated impact of EUR 0.2 billion net of tax, to be recognised in the profit and loss account of 2022.

- **FLOA**

On 31 January 2022, BNP Paribas SA acquired 100% of FLOA, leading to its full consolidation from 2022.

The acquisition of FLOA, leader of online and mobile payment solutions, is part of BNP Paribas' development strategy in payments and consumer credit in Europe.

The estimated impact on the Group's balance sheet at acquisition date is approximately EUR 2.2 billion, of which EUR 2 billion in loans and advances to customers at amortised cost.

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7.f MINORITY INTERESTS

In millions of euros	Capital and retained earnings	Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	Minority interests
Capital and retained earnings at 1 January 2020	**4,442**	**17**	**(67)**	**4,392**
Appropriation of net income for 2019	**(84)**			**(84)**
Increases in capital and issues				-
Reduction or redemption of capital				-
Remuneration on preferred shares	(1)			(1)
Impact of internal transactions on minority shareholders				-
Movements in consolidation scope impacting minority shareholders	5			5
Acquisitions of additional interests or partial sales of interests	1			1
Change in commitments to repurchase minority shareholders' interests	(69)			(69)
Other movements	(2)			(2)
Changes in assets and liabilities recognised directly in equity		(8)	(32)	(40)
Net income for 2020	**348**			**348**
Capital and retained earnings at 31 December 2020	**4,640**	**9**	**(99)**	**4,550**
Appropriation of net income for 2020	**(221)**			**(221)**
Increases in capital and issues	10			10
Reduction or redemption of capital	(73)			(73)
Remuneration on preferred shares				-
Impact of internal transactions on minority shareholders				-
Movements in consolidation scope impacting minority shareholders	(139)			(139)
Acquisitions of additional interests or partial sales of interests	55			55
Change in commitments to repurchase minority shareholders' interests	38			38
Other movements	9			9
Realised gains or losses reclassified to retained earnings	1	(1)		-
Changes in assets and liabilities recognised directly in equity		7	(7)	-
Net income for 2021	**392**			**392**
Capital and retained earnings at 31 December 2021	**4,712**	**15**	**(106)**	**4,621**

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- **Main minority interests**

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

	31 December 2021	Year to 31 Dec. 2021						
In millions of euros	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	98,967	1,779	585	557	34%	179	167	163
Other minority interests						213	225	58
TOTAL						392	392	221

	31 December 2020	Year to 31 Dec. 2020						
In millions of euros	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	89,607	1,699	552	541	34%	171	162	-
Other minority interests						177	146	84
TOTAL						348	308	84

There are no particular contractual restrictions on the assets of BGL BNP Paribas related to the presence of the minority shareholder.

- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

No significant internal restructuring operation occurred in 2021, nor in 2020.

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	Year to 31 Dec. 2021		Year to 31 Dec. 2020	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Bank BGZ BNP Paribas				
Partial disposal of 1.26% of the total share, reducing the Group's share to 87.43%	(11)	37		
Financit Spa				
Implementation of a partnership, reducing the Group's share to 60%	21	18		
Other	(2)		(1)	1
Total	**8**	**55**	**(1)**	**1**

- **Commitments to repurchase minority shareholders' interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.
The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 322 million at 31 December 2021, compared with EUR 500 million at 31 December 2020.

7.g SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Significant restrictions related to the ability of entities to transfer cash to the Group

The ability of entities to pay dividends or to repay loans and advances depends, *inter alia*, on local regulatory requirements for capitalisation and legal reserves, as well as the entities' financial and operating performance. During 2021, none of the BNP Paribas Group entites were subject to significant restrictions other than those related to regulatory requirements.

Significant restrictions relative to the Group's ability to use the assets lodged in consolidated structured entities

Access to the assets of consolidated structured entities in which third-party investors have invested is limited inasmuch as these entities' assets are reserved for the holders of units or securities. These assets total EUR 34 billion as at 31 December 2021 (EUR 35 billion as at 31 December 2020).

Significant restrictions related to the Group's ability to use assets pledged as collateral or under repurchase agreements

The financial instruments pledged by the BNP Paribas Group as collateral or under repurchase agreements are presented in notes 4.r and 5.d.

Significant restrictions related to liquidity reserves

Significant restrictions related to liquidity reserves correspond to the mandatory deposits placed with central banks presented in chapter 5 of the Universal Registration Document under "Liquidity risk".

Assets representative of unit-linked insurance contracts

Financial assets representative of unit-linked insurance contracts designated as at fair value through profit or loss, which amount to EUR 87 billion as at 31 December 2021 (compared with EUR 73 billion as at 31 December 2020), are held for the benefit of the holders of these contracts.

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7.h STRUCTURED ENTITIES

The BNP Paribas Group is engaged in transactions with sponsored structured entities mainly through its activities of securitisation of financial assets - as either originator or sponsor -, fund management and specialised asset financing.

In addition, the BNP Paribas Group is also engaged in transactions with structured entities that it has not sponsored, notably in the form of investments in funds or securitisation vehicles.

The method for assessing control for structured entities is detailed in note 1.b.2. Consolidation methods.

- **Consolidated structured entities**

The main categories of consolidated structured entities are:

ABCP (Asset-Backed Commercial Paper) conduits: the ABCP securitisation conduits Starbird, Matchpoint and Scaldis fund securitisation transactions managed by the BNP Paribas Group on behalf of its customers. Details on how these are financed and the Group's risk exposure are presented in Chapter 5 of the Universal Registration Document under *Securitisation as sponsor on behalf of clients / Short-term refinancing.*

Proprietary securitisation: proprietary securitisation positions originated and held by the BNP Paribas Group are detailed in Chapter 5 of the Universal Registration Document under *Proprietary securitisation activities (originator).*

Funds managed by the Group: the BNP Paribas Group structures different types of funds for which it may act as fund manager, investor, custodian or guarantor. These funds are consolidated when the Group is both the manager and a significant investor and is therefore exposed to variable returns.

- **Unconsolidated structured entities**

The BNP Paribas Group has entered into relations with unconsolidated structured entities in the course of its business activities to meet the needs of its customers.

Information relative to interests in sponsored structured entities

The main categories of unconsolidated sponsored structured entities are as follows:

Securitisation: the BNP Paribas Group structures securitisation vehicles for the purposes of offering customers financing solutions for their assets, either directly or through consolidated ABCP conduits. Each vehicle finances the purchase of customers' assets (receivables, bonds, *etc.*) primarily by issuing bonds backed by these assets and whose redemption is linked to their performance.

Funds: the Group structures and manages funds to offer investment opportunities to its customers. Dedicated or public funds are offered to institutional and individual customers and are distributed and commercially monitored by the BNP Paribas Group. The entities of the BNP Paribas Group responsible for managing these funds may receive management fees and performance commission. The BNP Paribas Group may hold units in these funds, as well as units in funds dedicated to the insurance activity not managed by the BNP Paribas Group.

Asset financing: the BNP Paribas Group establishes and finances structured entities that acquire assets (aircraft, ships, *etc.*) intended for lease, and the lease payments received by the structured entity are used to repay the financing, which is guaranteed by the asset held by the structured entity.

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Other: on behalf of its customers, the Group may also structure entities which invest in assets or are involved in debt restructuring.

An interest in an unconsolidated structured entity is a contractual or non-contractual link that exposes the BNP Paribas Group to variable returns from the performance of the entity.

The Group's assets and liabilities related to the interests held in sponsored structured entities are as follows:

In millions of euros, at 31 December 2021	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Financial instruments at fair value through profit or loss	5	1,009	4	95	1,113
Derivatives used for hedging purposes	11	1,404	23	18	1,456
Financial instruments at fair value through equity	190				190
Financial assets at amortised cost	14,230	117	1,709	9	16,065
Other assets	3	93			96
Financial investments of insurance activities		24,114			24,114
TOTAL ASSETS	14,439	26,737	1,736	122	43,034
LIABILITIES					
Financial instruments at fair value through profit or loss	18	542	3	54	617
Derivatives used for hedging purposes					
Financial liabilities at amortised cost	1,058	12,809	140	27	14,034
Other liabilities	5	140	118		263
TOTAL LIABILITIES	1,081	13,491	261	81	14,914
MAXIMUM EXPOSURE TO LOSS	21,888	27,061	3,047	212	52,208
SIZE OF STRUCTURED ENTITIES (1)	121,665	332,150	4,933	5,263	464,011

In millions of euros, at 31 December 2020	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Financial instruments at fair value through profit or loss	169	818	11	316	1,314
Derivatives used for hedging purposes	55	511	140	4	710
Financial instruments at fair value through equity	231				231
Financial assets at amortised cost	14,172	367	1,168	9	15,716
Other assets		203		1	204
Financial investments of insurance activities		19,231			19,231
TOTAL ASSETS	14,627	21,130	1,319	330	37,406
LIABILITIES					
Financial instruments at fair value through profit or loss	80	574	1	786	1,441
Derivatives used for hedging purposes					
Financial liabilities at amortised cost	820	11,115	130	760	12,825
Other liabilities	2	158	105	4	269
TOTAL LIABILITIES	902	11,847	236	1,550	14,535
MAXIMUM EXPOSURE TO LOSS	23,096	21,938	1,674	632	47,340
SIZE OF STRUCTURED ENTITIES (1)	117,188	305,525	4,945	6,438	434,096

(1) The size of sponsored structured entities equals the total assets of the structured entity for securitisation vehicles, the net asset value for funds (excluding management mandates) and the structured entity's total assets or the amount of the BNP Paribas Group's commitment for asset financing and other structures.

The BNP Paribas Group's maximum exposure to losses on sponsored structured entities is the carrying amount of the assets, excluding, for financial assets at fair value through equity, changes in value taken directly to equity, as well as the nominal amount of the financing commitments and guarantee commitments given and the notional amount of credit default swaps (CDS) sold.

Information relative to interests in non-sponsored structured entities

The main interests held by the BNP Paribas Group when it acts solely as an investor in non-sponsored structured entities are detailed below:

- **Units in funds that are not managed by the Group, which are held by the Insurance business line:** as part of the asset allocation strategy corresponding to investments related to the premiums for unit-linked contracts or for the general fund, the Insurance business line subscribes to units of structured entities. These short- or medium-term investments are held for their financial performance and meet the risk diversification criteria inherent to the business. They amounted to EUR 39 billion as at 31 December 2021 (EUR 33 billion as at 31 December 2020). Changes in value and the majority of the risks associated with these investments are borne by policyholders in the case of assets representative of unit-linked contracts, and by the insurer in the case of assets representative of the general fund;
- **Other investments in funds not managed by the Group:** as part of its trading business, the BNP Paribas Group invests in structured entities without any involvement in either managing or structuring these entities (investments in mutual funds, securities funds or alternative funds), particularly as economic hedge for structured products sold to customers. The Group also invests in minority holdings in investment funds, in support of companies, as part of its venture capital business. These investments amounted to EUR 10 billion as at 31 December 2021 (7 billion as at 31 December 2020);
- **Investments in securitisation vehicles:** the breakdown of the Group's exposure and the nature of the securities held are presented in Chapter 5 of the Universal Registration Document in the section *Securitisation as investor.*

Besides, in the framework of its asset financing activity, the BNP Paribas Group provides financing to structured entities that are established by and for its clients and whose purpose is to acquire assets (aircraft, ships, *etc.*) intended for lease to those same clients. These financings amount to EUR 5 billion as at 31 December 2021 (EUR 6 billion as at 31 December 2020).

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7.i COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

The Group's corporate officers, their spouses and their dependent children are considered related parties.

The remuneration and benefits policy relating to the Group's corporate officers, as well as the detailed information on an individual basis, will be presented in chapter 2 Corporate Governance of the Universal Registration Document.

- **Remuneration and benefits awarded to the Group's corporate officers**

	Year to 31 Dec. 2021	Year to 31 Dec. 2020
Gross remuneration, including remuneration linked to the term of directorship and benefits in kind		
- payable for the year	€ 8,486,731	€ 6,070,060
- paid during the year	€ 6,526,149	€ 5,532,930
Post-employment benefits		
Retirement bonuses: present value of the benefit obligation (payroll taxes excluded)	€ 788,884	€ 294,833
Defined contribution pension plan: contributions paid by BNP Paribas during the year	€ 6,400	€ 5,306
Welfare benefits: premiums paid by BNP Paribas during the year	€ 18,836	€ 14,962
Share-based payments		
Stock subscription options	Nil	Nil
Performance shares	Nil	Nil
Long-term compensation		
- fair value at grant date (*)	€ 1,327,391	€ 1,065,536

(*) Valuation according to the method described in note 6.e.

As at 31 December 2021, no corporate officer is eligible to a contingent collective defined-benefit top-up pension plan.

- **Remuneration linked to the term of directorship paid to members of the board of directors**

Remuneration linked to the term of directorship paid in to all members of the Board of Directors in 2021 amounts to EUR 1,402,804. This amount was EUR 1,300,000 in 2020. The amount paid in 2021 to members other than corporate officers was EUR 1,273,940 compared with EUR 1,183,106 in 2020.

- **Remuneration and benefits awarded to directors representing the employees**

In euros	Year to 31 December 2021	Year to 31 December 2020
Gross remuneration paid during the year	120,963	123,020
Remuneration linked to the term of directorship (paid to the trade unions)	190,887	180,227
Premiums paid by BNP Paribas during the year into schemes related to Garantie Vie Professionnelle Accidents benefits and healthcare expense coverage	2,092	2,063
Contributions paid by BNP Paribas during the year into the defined-contribution plan	1,423	1,386

- **Loans, advances and guarantees granted to the Group's corporate officers**

At 31 December 2021, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouses and dependent children amounted to EUR 6,392,970 (EUR 15,233,737 at 31 December 2020). These loans representing normal transactions were carried out on an arm's length basis.

7.j OTHER RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

RELATIONS BETWEEN CONSOLIDATED COMPANIES

A list of companies consolidated by the BNP Paribas Group is provided in note 7.1 *Scope of consolidation.* Transactions and outstanding balances between fully-consolidated entities are eliminated. The tables below show transactions with entities accounted for under the equity method.

- **Outstanding balances of related-party transactions:**

In millions of euros	31 December 2021		31 December 2020	
	Joint ventures	Associates	Joint ventures	Associates
ASSETS				
On demand accounts		118	1	112
Loans	3,923	116	3,826	65
Securities	516	268	642	-
Other assets	1	74	3	93
Financial investments of insurance activities	1	2	-	4
Total	**4,441**	**578**	**4,472**	**274**
LIABILITIES				
On demand accounts	137	525	192	518
Other borrowings	48	1,034	30	1,402
Other liabilities	7	26	10	19
Technical reserves and other insurance liabilities	1	159	-	130
Total	**193**	**1,744**	**232**	**2,069**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	23	553	43	646
Guarantee commitments given	1,469	41	2,162	55
Total	**1,492**	**594**	**2,205**	**701**

The Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards, *etc.*) and financial instruments purchased or underwritten and issued by them (equities, bonds, *etc.*).

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- **Related-party profit and loss items:**

In millions of euros	Year to 31 Dec. 2021		Year to 31 Dec. 2020	
	Joint ventures	Associates	Joint ventures	Associates
Interest income	26	7	30	5
Interest expense	(5)	(2)	(5)	(6)
Commission income	5	305	145	279
Commission expense		(76)	(8)	(38)
Services provided	-	46		32
Services received	-	(7)	-	(6)
Lease income	-	-	-	(1)
Net income from insurance activities	(2)	(3)	(3)	(4)
Total	**24**	**270**	**159**	**261**

GROUP ENTITIES MANAGING CERTAIN POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has a 25% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management and BNP Paribas Cardif). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Switzerland's employees.

At 31 December 2021, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 4,048 million (EUR 4,102 million as at 31 December 2020). Amounts received by Group companies in the year to 31 December 2021 totalled EUR 4 million and were mainly composed of management and custody fees (EUR 5 million as at 31 December 2020).

7.k FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 31 December 2021. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

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In millions of euros, at 31 December 2021	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers [1]		88,058	716,147	804,205	795,845
Debt securities at amortised cost *(note 4.e)*	89,374	17,203	3,172	109,749	108,510
Assets held for sale	4,587	11,081	49,838	65,507	64,847
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		1,123,937		1,123,937	1,123,383
Debt securities *(note 4.h)*	64,660	86,854		151,514	149,723
Subordinated debt *(note 4.h)*	18,211	7,360		25,571	24,720
Liabilities associated with assets held for sale	-	73,077		73,077	73,041

[1] Finance leases excluded

In millions of euros, at 31 December 2020	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers [1]		68,617	735,232	803,849	790,444
Debt securities at amortised cost *(note 4.e)*	93,011	25,190	3,261	121,462	118,316
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		1,089,464		1,089,464	1,088,648
Debt securities *(note 4.h)*	45,760	103,990		149,750	148,303
Subordinated debt *(note 4.h)*	15,568	7,683		23,251	22,474

[1] Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and debt securities at amortised cost, or specific valuation models for other financial instruments as described in note 1, *Summary of significant accounting policies applied by the BNP Paribas Group*. The description of the fair value hierarchy levels is also presented in the accounting principles (see note 1.e.10). In the case of loans, liabilities and debt securities at amortised cost that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

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7.1 SCOPE OF CONSOLIDATION

BNP Paribas, a *société anonyme* (Public Limited Company), registered in France, is the Group's lead company, which holds key positions in its two areas of activity: Retail Banking and Services and Corporate and Institutional Banking. During the year, the parent company did not change its name.

BNP Paribas has its principal place of business in France and its head office is located at 16 boulevard des Italiens 75009 Paris, France.

			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNP Paribas SA	France	(1)				(1)			
	BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Cayman Islands branch)	Cayman Islands								S1
	BNPP SA (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Finland branch)	Finland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Hungary branch)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (India branch)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Ireland branch)	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Japan branch)	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Jersey branch)	Jersey				S1	Full	100.0%	100.0%	
	BNPP SA (Kuwait branch)	Kuwait	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Luxembourg branch)	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Panama branch)	Panama	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Philippines branch)	Philippines	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Poland branch)	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Qatar branch)	Qatar	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Republic of Korea branch)	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Saudi Arabia branch)	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Singapore branch)	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	

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			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP SA (South Africa branch)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Taiwan branch)	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Thailand branch)	Thailand	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United Kingdom branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United States branch)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Viet Nam branch)	Viet Nam	Full	100.0%	100.0%		Full	100.0%	100.0%	
RETAIL BANKING & SERVICES										
DOMESTIC MARKETS										
Retail Banking - France										
	Banque de Wallis et Futuna	France	Full(1)	51.0%	51.0%		Full(1)	51.0%	51.0%	
	BNPP Antilles Guyane	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Développement Oblig	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Factor	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Factor (Spain branch)	Spain	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Factor Sociedade Financeira de Credito SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Nouvelle Calédonie	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Réunion	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Compagnie pour le Financement des Loisirs	France	Equity	46.0%	46.0%		Equity	46.0%	46.0%	
	Copartis	France	Full	100.0%	100.0%		Full	100.0%	100.0%	D1/V4
	Euro Securities Partners	France	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	
	GIE Ocean	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Jivago Holding	France	Full	100.0%	100.0%	E3				
	Partecis	France	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	
	Paylib Services	France	Equity	14.3%	14.3%		Equity	14.3%	14.3%	
	Portzamparc	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Protection 24	France				S2	Full	100.0%	100.0%	
	Société Lairoise de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Retail Banking - Belgium										
	Axepta BNPP Benelux	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	E1
	Bancontact Paytoniq Company	Belgium	Equity	22.5%	22.5%		Equity	22.5%	22.5%	
	Banking Funding Company SA	Belgium	Equity	33.5%	33.5%		Equity	33.5%	33.5%	
	BASS Master Issuer NV(1)	Belgium	Full	-	-		Full	-	-	
	Batopin	Belgium	Equity	25.0%	25.0%	E1				
	Belgian Mobile ID	Belgium	Equity	12.2%	12.2%	V3	Equity	15.0%	15.0%	
	BNPP Commercial Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor AB	Sweden				S1	Full	100.0%	99.9%	
	BNPP Factor AS	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor NV	Netherlands				S1	Full	100.0%	99.9%	
	BNPP Factoring Support	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	

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Business	Name	Country	31 December 2021				31 December 2020			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Fortis	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
	BNPP Fortis (Spain branch)	Spain	Full	99.9%	99.9%		Full	99.9%	99.9%	
	BNPP Fortis (United States branch)	USA	Full	99.9%	99.9%		Full	99.9%	99.9%	
	BNPP Fortis Factor NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Film Finance	Belgium	Full	100.0%	99.9%	V4	Full	99.0%	98.9%	
	BNPP Fortis Funding SA	Luxemburg	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Expansion	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Management	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Bpost Banque	Belgium	Equity[3]	50.0%	50.0%		Equity[3]	50.0%	50.0%	
	Credissimo	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Credissimo Hainaut SA	Belgium	Full	99.7%	99.7%		Full	99.7%	99.7%	
	Crédit pour Habitations Sociales	Belgium	Full	81.7%	81.6%		Full	81.7%	81.6%	
	Epimede[8]	Belgium	Equity	-	-		Equity	-	-	
	Esmee Master Issuer[1]	Belgium	Full	-	-		Full	-	-	
	Immo Beaulieu	Belgium								S3
	Immobilière Sauveniere SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Isabel SA NV	Belgium	Equity	25.3%	25.3%		Equity	25.3%	25.3%	
	Microstart	Belgium	Full	42.3%	76.8%	V4	Full	70.3%	76.7%	
	Private Equity Investments (a)	BE/FR/LU	FV	-	-		FV	-	-	
	Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sowo Invest SA NV	Belgium	Full	87.5%	87.5%		Full	87.5%	87.5%	
Retail Banking - Luxemburg										
	BGL BNPP	Luxemburg	Full	66.0%	65.9%		Full	66.0%	65.9%	
	BGL BNPP (Germany branch)	Germany	Full	66.0%	65.9%		Full	66.0%	65.9%	
	BNPP Lease Group Luxembourg SA	Luxemburg	Full	100.0%	65.9%		Full	100.0%	65.9%	
	BNPP SB Re	Luxemburg	Full[2]	100.0%	100.0%		Full[2]	100.0%	100.0%	
	Cofhylux SA	Luxemburg	Full	100.0%	65.9%		Full	100.0%	65.9%	
	Compagnie Financière Ottomane SA	Luxemburg	Full	97.3%	97.3%		Full	97.3%	97.3%	
	Le Sphinx Assurances Luxembourg SA	Luxemburg	Full[2]	100.0%	100.0%		Full[2]	100.0%	100.0%	
	Lion International Investments SA	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Luxhub SA	Luxemburg	Equity	28.0%	18.5%		Equity	28.0%	18.5%	E1
	Visalux	Luxemburg	Equity	25.3%	16.7%		Equity	25.3%	16.7%	
Retail Banking - Italy										
	Artigiancassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
	Axepta SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	EMF IT 2008 1 SRL[1]	Italy	Full	-	-		Full	-	-	
	Era Uno SRL[1]	Italy	Full	-	-	E2				
	Eutimm SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Financit SPA (Ex- BNL Finance SPA)	Italy	Full	60.0%	60.0%	V2	Full	100.0%	100.0%	
	Immera SRL[1]	Italy	Full	-	-	E1				
	International Factors Italia SPA	Italy	Full	99.7%	99.7%		Full	99.7%	99.7%	
	Permicro SPA	Italy	Equity	21.6%	21.6%		Equity	21.6%	21.6%	

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			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Serfactoring SPA	Italy				S2	Equity	27.0%	26.9%	
	Servizio Italia SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Tierre Securitisation SRL[1]	Italy	Full	-	-		Full	-	-	
	Vela ABS SRL[1]	Italy								S3
	Vela Consumer 2 SRL[1]	Italy				S1	Full	-	-	
	Vela Consumer SRL[1]	Italy								S1
	Vela Home SRL[1]	Italy	Full	-	-		Full	-	-	
	Vela Mortgages SRL[1]	Italy	Full	-	-		Full	-	-	
	Vela OBG SRL[1]	Italy	Full	-	-		Full	-	-	
	Vela RMBS SRL[1]	Italy	Full	-	-		Full	-	-	
Arval										
	Artel	France	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval AB	Sweden	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval AS	Denmark	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval AS Norway	Norway	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Austria GmbH	Austria	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Belgium NV SA	Belgium	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Benelux BV	Netherlands	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Brasil Ltda	Brazil	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval BV	Netherlands	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval CZ SRO	Czech Rep.	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Deutschland GmbH	Germany	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Fleet Services	France	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Fuhrparkmanagement GmbH	Austria				S4	Full(2)	100.0%	99.9%	E3
	Arval Hellas Car Rental SA	Greece	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval India Private Ltd	India				S3	Full(2)	100.0%	99.9%	
	Arval LLC	Russia	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Luxembourg SA	Luxemburg	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Magyarorszag KFT	Hungary	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Maroc SA	Morocco	Full(2)	100.0%	89.0%		Full(2)	100.0%	89.0%	
	Arval OY	Finland	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Relsa SPA	Chile	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Arval Schweiz AG	Switzerland	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Service Lease	France	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Service Lease Italia SPA	Italy	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Service Lease Polska SP ZOO	Poland	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Service Lease Romania SRL	Romania	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Service Lease SA	Spain	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Slovakia SRO	Slovakia	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval Trading	France	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval UK Group Ltd	UK	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	
	Arval UK Leasing Services Ltd	UK	Full(2)	100.0%	99.9%		Full(2)	100.0%	99.9%	

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Arval UK Ltd	UK	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	
	BNPP Fleet Holdings Ltd	UK	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	
	Cent ASL	France	Full[2]	100.0%	99.9%	E2				
	Cofiparc	France	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	
	Greenval Insurance DAC	Ireland	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	V3
	Locadif	Belgium	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	
	Louveo	France	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	
	Public Location Longue Durée	France	Full[2]	100.0%	99.9%		Full[2]	100.0%	99.9%	
	TEB Arval Arac Filo Kiralama AS	Turkey	Full[2]	100.0%	75.0%		Full[2]	100.0%	75.0%	
Leasing Solutions										
	All In One Vermietung GmbH	Austria	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Aprolis Finance	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
	Artegy	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNL Leasing SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
	BNPP 3 Step IT	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Belgium branch)	Belgium	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Germany branch)	Germany	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Italy branch)	Italy	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Netherlands branch)	Netherlands	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (United Kingdom branch)	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP Finansal Kiralama AS	Turkey	Full	100.0%	82.5%		Full	100.0%	82.5%	
	BNPP Lease Group	France	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Germany branch)	Germany	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Italy branch)	Italy	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Portugal branch)	Portugal	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Spain branch)	Spain	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group GmbH & Co KG	Austria				S4	Full	100.0%	83.0%	
	BNPP Lease Group Leasing Solutions SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
	BNPP Lease Group PLC	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group Rentals Ltd	UK				S1	Full	100.0%	83.0%	
	BNPP Lease Group SP ZOO	Poland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Services	Poland	Full	100.0%	87.4%	V3	Full	100.0%	88.7%	
	BNPP Leasing Solution AS	Norway	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions	Luxemburg	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions AB	Sweden	Full	100.0%	83.0%	E1				
	BNPP Leasing Solutions IFN SA	Romania	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions NV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Suisse SA	Switzerland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Rental Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Rental Solutions SPA	Italy	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Claas Financial Services	France	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	
	Claas Financial Services (Germany branch)	Germany	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Claas Financial Services (Italy branch)	Italy	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	
	Claas Financial Services (Poland branch)	Poland	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	
	Claas Financial Services (Spain branch)	Spain	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	
	Claas Financial Services Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	CMV Mediforce	France								S4
	CNH Industrial Capital Europe	France	Full[1]	50.1%	41.6%		Full[1]	50.1%	41.6%	
	CNH Industrial Capital Europe (Belgium branch)	Belgium	Full[1]	50.1%	41.6%		Full[1]	50.1%	41.6%	
	CNH Industrial Capital Europe (Germany branch)	Germany	Full[1]	50.1%	41.6%		Full[1]	50.1%	41.6%	
	CNH Industrial Capital Europe (Italy branch)	Italy	Full[1]	50.1%	41.6%		Full[1]	50.1%	41.6%	
	CNH Industrial Capital Europe (Poland branch)	Poland	Full[1]	50.1%	41.6%		Full[1]	50.1%	41.6%	
	CNH Industrial Capital Europe (Spain branch)	Spain	Full[1]	50.1%	41.6%		Full[1]	50.1%	41.6%	
	CNH Industrial Capital Europe BV	Netherlands	Full	100.0%	41.6%		Full	100.0%	41.6%	
	CNH Industrial Capital Europe GmbH	Austria	Full	100.0%	41.6%		Full	100.0%	41.6%	
	CNH Industrial Capital Europe Ltd	UK	Full	100.0%	41.6%		Full	100.0%	41.6%	
	Commercial Vehicle Finance Ltd	UK								S1
	ES Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	FL Zeebrugge[S]	Belgium	Full	-	-		Full	-	-	
	Folea Grundstucksverwaltungs und Vermietungs Gmbh & Co[S]	Germany	Full	-	-		Full	-	-	
	Fortis Lease	France	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	Fortis Lease Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease Deutschland GmbH	Germany	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease Iberia SA	Spain	Full	100.0%	86.6%		Full	100.0%	86.6%	
	Fortis Lease Portugal	Portugal	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease UK Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Vastgoedlease BV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Heffiq Heftruck Verhuur BV	Netherlands	Full	50.1%	41.5%		Full	50.1%	41.5%	
	JCB Finance	France	Full[1]	100.0%	41.6%		Full[1]	100.0%	41.6%	
	JCB Finance (Germany branch)	Germany	Full[1]	100.0%	41.6%		Full[1]	100.0%	41.6%	
	JCB Finance (Italy branch)	Italy	Full[1]	100.0%	41.6%		Full[1]	100.0%	41.6%	
	JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%		Full	50.1%	41.6%	
	Manitou Finance Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	MGF	France	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	
	MGF (Germany branch)	Germany	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	E2
	MGF (Italy branch)	Italy	Full[1]	51.0%	42.3%		Full[1]	51.0%	42.3%	E2
	Natio Energie 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Natiocredibail	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	Pixel 2021[S]	France	Full	-	-	E2				
	RD Leasing IFN SA	Romania				S4	Full	100.0%	83.0%	
	Same Deutz Fahr Finance	France	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	SNC Natiocredimurs	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	UCB Bail 2	France								S4
New Digital Businesses										
	Financière des Paiements Electroniques	France	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Financière des Paiements Electroniques (Belgium branch)	Belgium	Full	95.0%	95.0%	E2				

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	Financière des Paiements Electroniques (Portugal branch)	Portugal	Full	95.0%	95.0%	E2				
	Financière des Paiements Electroniques (Spain branch)	Spain	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Lyf SA	France	Equity(3)	43.8%	43.8%		Equity(3)	43.8%	43.8%	
	Lyf SAS	France	Equity(3)	49.1%	49.1%		Equity(3)	49.1%	49.1%	V4
Personal Investors										
	Espresso Financial Services Private Limited (Ex- Sharekhan Comtrade Private Limited)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Geojit Technologies Private Ltd	India	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	Human Value Developers Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sharekhan BNPP Financial Services Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sharekhan Commodities Private Ltd	India								S3
	Sharekhan Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
INTERNATIONAL FINANCIAL SERVICES										
BNP Paribas Personal Finance										
	Alpha Crédit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	AutoFlorence 1 SRL†	Italy	Full	-	-		Full	-	-	
	AutoFlorence 2 SRL†	Italy	Full	-	-	E2				
	Autonoria 2019†	France	Full	-	-		Full	-	-	
	Autonoria Spain 2019†	Spain	Full	-	-		Full	-	-	
	Autonoria Spain 2021 FT†	Spain	Full	-	-	E2				
	Autop Ocean Indien	France	Full	100.0%	97.8%		Full	100.0%	97.8%	
	Axa Banque Financement	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	Banco BNPP Personal Finance SA	Portugal								S4
	Banco Cetelem SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banco Cetelem SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BGN Mercantil E Servicos Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP Personal Finance (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance South Africa Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cafineo	France	Full(1)	51.0%	50.8%		Full(1)	51.0%	50.8%	
	Carrefour Banque	France	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
	Central Europe Technologies SRL	Romania	Full	100.0%	100.0%	E1				
	Cetelem Algérie	Algeria				S1	Full	100.0%	100.0%	
	Cetelem America Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Bank LLC	Russia								S2
	Cetelem Gestion AIE	Spain	Full	100.0%	96.0%		Full	100.0%	96.0%	
	Cetelem SA de CV	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Servicios Informaticos AIE	Spain	Full	100.0%	81.0%		Full	100.0%	81.0%	
	Cetelem Servicios SA de CV	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	

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	Cetelem Servicos Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cofica Bail	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Cofinoga Funding Two LP$	UK				S1	Full	-	-	
	Cofiplan	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Creation Consumer Finance Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Creation Financial Services Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Crédit Moderne Antilles Guyane	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Crédit Moderne Océan Indien	France	Full(1)	97.8%	97.8%		Full(1)	97.8%	97.8%	
	Domofinance	France	Full(1)	55.0%	55.0%		Full(1)	55.0%	55.0%	
	Domos 2011‡	France								S1
	Domos 2017‡	France	Full	-	-		Full	-	-	
	E Carat 10‡	France	Full	-	-		Full	-	-	
	E Carat 6 PLC‡	UK								S1
	E Carat 7 PLC‡	UK				S3	Full	-	-	
	E Carat 8 PLC‡	UK				S3	Full	-	-	
	E Carat 9 PLC‡	UK				S3	Full	-	-	
	E Carat 10 PLC‡	UK	Full	-	-		Full	-	-	
	E Carat 11 PLC‡	UK	Full	-	-		Full	-	-	E1
	E Carat 12 PLC‡	UK	Full	-	-	E2				
	E Carat SA‡	Luxemburg				S3	Full	-	-	
	Ekspres Bank AS	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Eos Aremas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
	Evollis	France	Equity	41.0%	41.0%	E3				
	Findomestic Banca SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Florence Real Estate Developments SPA	Italy	Full	100.0%	100.0%	E1				
	Florence SPV SRL‡	Italy	Full	-	-		Full	-	-	
	GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Genius Auto Finance Co Ltd	China	Equity(3)	20.0%	20.0%		Equity(3)	20.0%	20.0%	
	International Development Resources AS Services SA	Spain	Full	100.0%	100.0%	E1				
	Iqera Services (Ex- Effico)	France	Equity	24.5%	24.5%		Equity	24.5%	24.5%	
	Laser ABS 2017 Holding Ltd	UK								S3
	Laser ABS 2017 PLC‡	UK								S3
	Leval 20	France								S4
	Loisirs Finance	France	Full(1)	51.0%	51.0%		Full(1)	51.0%	51.0%	
	Magyar Cetelem Bank ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Neuilly Contentieux	France	Full	95.9%	95.6%		Full	95.9%	95.6%	V3
	Noria 2018-1‡	France	Full	-	-		Full	-	-	
	Noria 2020‡	France	Full	-	-		Full	-	-	E2
	Noria 2021‡	France	Full	-	-	E2				
	Noria Spain 2020 FT‡	Spain	Full	-	-		Full	-	-	E2
	Norrsken Finance	France								S4
	Olympia SAS	France				S3	Full	50.0%	50.0%	

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Oney Magyarorszag ZRT	Hungary								S2
	Opel Bank	France	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Austria branch)	Austria	Full	50.0%	50.0%		Full	50.0%	50.0%	E2
	Opel Bank (Germany branch)	Germany	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Greece branch)	Greece				S1	Full	50.0%	50.0%	
	Opel Bank (Italy branch)	Italy	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Spain branch)	Spain	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Finance BV	Belgium	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Finance International BV	Netherlands								S4
	Opel Finance NV	Netherlands	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Finance SA	Switzerland	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Leasing GmbH	Germany								S4
	Opel Leasing GmbH (Austria branch)	Austria								S4
	Personal Finance Location	France	Full	100.0%	100.0%	E1				
	PF Services GmbH	Germany	Full	100.0%	100.0%	E1				
	Phedina Hypotheken 2010 BV[†]	Netherlands	Full	-	-		Full	-	-	
	Projeo	France								S4
	RCS Botswana Pty Ltd	Botswana	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	RCS Cards Pty Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	RCS Investment Holdings Namibia Pty Ltd	Namibia	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Securitisation funds UCI and RMBS Prado (b)[†]	Spain	Equity[(3)]	-	-		Equity[(3)]	-	-	
	Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
	Solfinéa	France				S3	Equity[(3)]	45.0%	45.0%	
	Suning Consumer Finance Co Ltd	China	Equity	15.0%	15.0%		Equity	15.0%	15.0%	
	Sygma Fundings Two Ltd	UK				S3	Full	100.0%	100.0%	
	Symag	France				S2	Full	100.0%	100.0%	
	TEB Finansman AS	Turkey	Full	100.0%	92.8%		Full	100.0%	92.8%	
	Union de Creditos Inmobiliarios SA	Spain	Equity[(3)]	50.0%	50.0%		Equity[(3)]	50.0%	50.0%	
	United Partnership	France	Equity[(3)]	50.0%	50.0%		Equity[(3)]	50.0%	50.0%	
	Vauxhall Finance PLC	UK	Full	100.0%	50.0%		Full	100.0%	50.0%	
	XFERA Consumer Finance EFC SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	E1
	Zhejiang Wisdom Puhua Financial Leasing Co Ltd	China	Equity[(3)]	20.0%	20.0%	E3				
International Retail Banking - BancWest										
	BancWest Holding Inc	USA	Full	100.0%	100.0%	D2	Full	100.0%	100.0%	
	BancWest Holding Inc Grantor Trust ERC Subaccount[$]	USA	Full	-	-	D2	Full	-	-	
	Bancwest Holding Inc Umbrella Trust[$]	USA	Full	-	-	D2	Full	-	-	E2
	BancWest Investment Services Inc	USA	Full	100.0%	100.0%	D2	Full	100.0%	100.0%	
	Bank of the West	USA	Full	100.0%	100.0%	D2	Full	100.0%	100.0%	
	Bank of the West Auto Trust 2018-1[†]	USA	Full	-	-	D2	Full	-	-	
	Bank of the West Auto Trust 2019-1[†]	USA	Full	-	-	D2	Full	-	-	
	Bank of the West Auto Trust 2019-2[†]	USA	Full	-	-	D2	Full	-	-	
	BNPP Leasing Solutions Canada Inc	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BOW Auto Receivables LLC[†]	USA	Full	-	-	D2	Full	-	-	
	BWC Opportunity Fund 2 Inc[†]	USA	Full	-	-	D2	Full	-	-	

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BWC Opportunity Fund Inc[1]	USA	Full	-	-	D2	Full	-	-	
	CFB Community Development Corp	USA	Full	100.0%	100.0%	D2	Full	100.0%	100.0%	
	Claas Financial Services LLC	USA	Full	51.0%	51.0%	D2	Full	51.0%	51.0%	
	Commercial Federal Affordable Housing Inc	USA	Full	100.0%	100.0%	D2	Full	100.0%	100.0%	
	Commercial Federal Community Development Corp	USA				S1	Full	100.0%	100.0%	
	Commercial Federal Insurance Corp	USA				S1	Full	100.0%	100.0%	
	Commercial Federal Investment Service Inc	USA				S1	Full	100.0%	100.0%	
	First Santa Clara Corp[5]	USA	Full	-	-	D2	Full	-	-	
	Liberty Leasing Co	USA				S1	Full	100.0%	100.0%	
	United California Bank Deferred Compensation Plan Trust[5]	USA	Full	-	-	D2	Full	-	-	E2
	Ursus Real Estate Inc	USA	Full	100.0%	100.0%	D2	Full	100.0%	100.0%	
International Retail Banking - Europe Mediterranean										
	Bank of Nanjing	China	Equity	15.0%	15.0%	V1	Equity	14.0%	14.0%	V3
	Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
	Banque Internationale pour le Commerce et l'Industrie de la Guinée	Guinea				S2	Full	55.6%	55.6%	
	Banque Internationale pour le Commerce et l'Industrie du Burkina Faso	Burkina Faso				S2	Full	51.0%	51.0%	
	Banque Internationale pour le Commerce et l'Industrie du Gabon	Gabon								S2
	Banque Internationale pour le Commerce et l'Industrie du Mali	Mali								S2
	Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
	Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	67.0%	67.0%		Full	67.0%	67.0%	
	Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100.0%	67.0%		Full	100.0%	67.0%	
	Banque pour l'Industrie et le Commerce des Comores	Comoros								S2
	Bantas Nakit AS	Turkey	Equity[3]	33.3%	16.7%		Equity[3]	33.3%	16.7%	
	BDSI	Morocco	Full	100.0%	96.4%		Full	100.0%	96.4%	
	BGZ Poland ABS1 DAC[1]	Ireland	Full	-	-		Full	-	-	
	BICI Bourse	Ivory Coast	Full	90.0%	52.0%	V4	Full	90.0%	51.6%	V3
	BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	
	BNPP Bank Polska SA	Poland	Full	87.4%	87.4%	V3	Full	88.8%	88.7%	
	BNPP El Djazair	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Faktoring Spolka ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fortis Yatirimlar Holding AS	Turkey	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Solutions Spolka ZOO	Poland	Full	100.0%	87.4%	V3	Full	100.0%	88.7%	
	BNPP Yatirimlar Holding AS	Turkey	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Joint Stock Company Ukrsibbank	Ukraine	Full	60.0%	60.0%		Full	60.0%	60.0%	
	TEB ARF Teknoloji Anonim Sirketi	Turkey	Full	100.0%	72.5%	E2				
	TEB Faktoring AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
	TEB Holding AS	Turkey	Full	50.0%	50.0%		Full	50.0%	50.0%	
	TEB Portfoy Yonetimi AS	Turkey								S3
	TEB SH A	Serbia	Full	100.0%	50.0%		Full	100.0%	50.0%	
	TEB Yatirim Menkul Degerler AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
	Turk Ekonomi Bankasi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
	Union Bancaire pour le Commerce et l'Industrie	Tunisia				S2	Full	50.1%	50.1%	

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Insurance										
	AEW Immocommercial$	France	FV	-	-		FV	-	-	
	AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
	Agathe Retail France	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
	Ambrosia Avril 2025$	France				S1	Full(4)	-	-	
	Ambrosia Mars 2026$	France				S1	Full(4)	-	-	
	Astridplaza	Belgium	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	Batipart Participations SAS	Luxemburg	FV	29.7%	29.7%		FV	29.7%	29.7%	
	Becquerel$	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Actions Croissance$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Actions Entrepreneurs$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Actions Euro$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Actions Monde$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Actions PME$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Actions PME ETI$	France	Full(4)	-	-	E1				
	BNPP Aqua$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Best Selection Actions Euro$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Cardif	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif BV	Netherlands	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Compania de Seguros y Reaseguros SA	Peru	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Emeklilik AS	Turkey	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif General Insurance Co Ltd	Rep. of Korea	Equity *	94.5%	94.5%	V4	Equity *	92.5%	92.5%	V4
	BNPP Cardif Hayat Sigorta AS	Turkey	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Levensverzekeringen NV	Netherlands				S4	Full(2)	100.0%	100.0%	
	BNPP Cardif Livforsakring AB	Sweden	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	BNPP Cardif Livforsakring AB (Denmark branch)	Denmark	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	BNPP Cardif Livforsakring AB (Norway branch)	Norway	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	BNPP Cardif Pojistovna AS	Czech Rep.	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Schadeverzekeringen NV	Netherlands				S4	Full(2)	100.0%	100.0%	
	BNPP Cardif Seguros de Vida SA	Chile	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Seguros Generales SA	Chile	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Services SRO	Czech Rep.	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
	BNPP Cardif Servicios y Asistencia Ltda	Chile	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Sigorta AS	Turkey	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
	BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Convictions$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP CP Cardif Alternative$	France	Full(2)	-	-		Full(2)	-	-	
	BNPP CP Cardif Private Debt$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP CP Infrastructure Investments Fund$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Deep Value$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Développement Humain$	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Diversipierre$	France	Full(2)	-	-		Full(2)	-	-	

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Business	Name	Country	31 December 2021 Method	Voting (%)	Interest (%)	Ref.	31 December 2020 Method	Voting (%)	Interest (%)	Ref.
	BNPP European SME Debt Fund 2 SCSP RAIF[$]	Luxemburg	Full[(4)]	-	-	E1				
	BNPP Europe High Conviction Bond[$]	France				S1	Full[(4)]	-	-	
	BNPP France Crédit[$]	France	Full[(2)]	-	-		Full[(2)]	-	-	
	BNPP Global Senior Corporate Loans[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Indice Amerique du Nord[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Indice Euro[$]	France				S3	Full[(4)]	-	-	E1
	BNPP Indice France[$]	France								S3
	BNPP Midcap France[$]	France				S3	Full[(4)]	-	-	
	BNPP Moderate Focus Italia[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Monétaire Assurance[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	E1
	BNPP Multistratégies Protection 80[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Next Tech[$]	France	Full[(4)]	-	-	E1				
	BNPP Protection Monde[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Sélection Dynamique Monde[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Sélection Flexible[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Smallcap Euroland[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	
	BNPP Social Business France[$]	France	Full[(4)]	-	-		Full[(4)]	-	-	E1
	BOB Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	C Santé[$]	France	Full[(2)]	-	-		Full[(2)]	-	-	
	Camgestion Obliflexible[$]	France	Full[(2)]	-	-		Full[(2)]	-	-	
	Capital France Hotel	France	Full[(2)]	98.5%	98.5%	V4	Full[(2)]	98.4%	98.4%	
	Cardif Alternatives Part I[$]	France	Full[(2)]	-	-		Full[(2)]	-	-	
	Cardif Assurance Vie	France	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Austria branch)	Austria	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Belgium branch)	Belgium	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Germany branch)	Germany	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Italy branch)	Italy	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Netherlands branch)	Netherlands	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	E2
	Cardif Assurance Vie (Portugal branch)	Portugal	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Romania branch)	Romania	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Spain branch)	Spain	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Switzerland branch)	Switzerland	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurance Vie (Taiwan branch)	Taiwan	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers	France	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers (Austria branch)	Austria	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers (Germany branch)	Germany	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers (Italy branch)	Italy	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Cardif Assurances Risques Divers (Luxemburg branch)	Luxemburg								S1
	Cardif Assurances Risques Divers (Netherlands branch)	Netherlands	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	E2
	Cardif Assurances Risques Divers (Poland branch)	Poland	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	

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Business	Name	Country	31 December 2021				31 December 2020			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Romania branch)	Romania	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Spain branch)	Spain	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Biztosito Magyarorszag ZRT	Hungary	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif BNPP AM Emerging Bond[s]	France	Full(2)	-	-		Full(2)	-	-	E1
	Cardif BNPP AM Frontier Markets[s]	France								S3
	Cardif BNPP AM Global Senior Corporate Loans[s]	France	Full(4)	-	-		Full(4)	-	-	
	Cardif BNPP IP Convertibles World[s]	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Signatures[s]	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Smid Cap Euro[s]	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Smid Cap Europe[s]	France	Full(4)	-	-	E1				
	Cardif Colombia Seguros Generales SA	Colombia	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif CPR Global Return[s]	France	Full(2)	-	-		Full(2)	-	-	
	Cardif do Brasil Seguros e Garantias SA	Brazil	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif do Brasil Vida e Previdencia SA	Brazil	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Edrim Signatures[s]	France	Full(2)	-	-		Full(2)	-	-	
	Cardif El Djazair	Algeria	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Forsakring AB	Sweden	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	Cardif Forsakring AB (Denmark branch)	Denmark	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	Cardif Forsakring AB (Norway branch)	Norway	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	Cardif IARD	France	Full(2)	66.0%	66.0%		Full(2)	66.0%	66.0%	
	Cardif Insurance Co LLC	Russia	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Life Insurance Co Ltd	Rep. of Korea	Full(2)	85.0%	85.0%		Full(2)	85.0%	85.0%	
	Cardif Life Insurance Japan	Japan	Full(2)	75.0%	75.0%		Full(2)	75.0%	75.0%	
	Cardif Ltda	Brazil	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Lux Vie	Luxemburg	Full(2)	100.0%	88.6%		Full(2)	100.0%	88.6%	
	Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Non Life Insurance Japan	Japan	Full(2)	100.0%	75.0%		Full(2)	100.0%	75.0%	
	Cardif Nordic AB	Sweden	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Pinnacle Insurance Holdings PLC	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Pinnacle Insurance Management Services PLC	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Seguros SA	Argentina	Equity *	100.0%	100.0%	D1	Full(2)	100.0%	100.0%	
	Cardif Services AEIE	Portugal	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Servicios SA	Argentina								S3
	Cardif Servicios SAC	Peru	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Vita Convex Fund Eur[s]	France	Full(2)	-	-		Full(2)	-	-	
	Cardimmo	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cargeas Assicurazioni SPA	Italy				S2	Full(2)	100.0%	100.0%	
	Carma Grand Horizon SARL	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cedrus Carbon Initiative Trends[s]	France	Full(2)	-	-		Full(2)	-	-	

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	CFH Algonquin Management Partners France Italia	Italy	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Bercy	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Bercy Hotel	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Bercy Intermédiaire	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Berlin Holdco SARL	Luxemburg	Full(2)	100.0%	98.5%	E2				
	CFH Boulogne	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Cap d'Ail	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Milan Holdco SRL	Italy	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Montmartre	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	CFH Montparnasse	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	Corosa	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Darnell DAC	Ireland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Défense CB3 SAS	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	Diversipierre DVP 1	France	Full(2)	100.0%	88.7%	E1				
	Diversipierre Germany GmbH	Germany	Equity *	100.0%	88.7%	E1				
	DVP European Channel	France	Equity *	100.0%	88.7%	E1				
	DVP Green Clover	France	Equity *	100.0%	88.7%	E1				
	DVP Haussmann	France	Equity *	100.0%	88.7%	E1				
	DVP Heron	France	Equity *	100.0%	88.7%	E1				
	Eclair[s]	France	Full(4)	-	-		Full(4)	-	-	
	Elegia Septembre 2028[s]	France				S1	Full(4)	-	-	E1
	EP L[s]	France	Full(2)	-	-		Full(2)	-	-	
	EP1 Grands Moulins[s]	France	Equity *	-	-		Equity *	-	-	E1
	FDI Poncelet	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	E2
	Fleur SAS	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
	Foncière Partenaires[s]	France	FV	-	-		FV	-	-	
	Fonds d'Investissements Immobiliers pour le Commerce et la Distribution	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	FP Cardif Convex Fund USD[s]	France	Full(2)	-	-		Full(2)	-	-	
	Fundamenta[s]	Italy	Full(2)	-	-		Full(2)	-	-	
	G C Thematic Opportunities II[s]	Ireland	Full(2)	-	-		Full(2)	-	-	
	GIE BNPP Cardif	France	Full(2)	99.9%	99.9%	V2	Full(2)	100.0%	100.0%	
	GPinvest 10	France	FV	50.0%	50.0%	E3				
	Harewood Helena 2 Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Hemisphere Holding	France	Equity	20.0%	20.0%		Equity	20.0%	20.0%	
	Hibernia France	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	High Street Retail	France				S2	FV	26.2%	26.2%	V4
	Horizon Development GmbH	Germany	FV	66.7%	62.9%	V3	FV	66.7%	64.7%	
	Icare	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Icare Assurance	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	ID Cologne A1 GmbH	Germany	Equity *	79.2%	74.1%	E3				
	ID Cologne A2 GmbH	Germany	Equity *	79.2%	74.1%	E3				
	Karapass Courtage	France	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E3
	Korian et Partenaires Immobilier 1	France	FV	24.5%	24.5%		FV	24.5%	24.5%	E2

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Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Korian et Partenaires Immobilier 2	France	FV	24.5%	24.5%		FV	24.5%	24.5%	E2
	Luizaseg	Brazil	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Natio Assurance	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Natio Fonds Ampère 1[S]	France	Full(4)	-	-		Full(4)	-	-	
	Natio Fonds Athenes Investissement N 5[S]	France	Full(2)	-	-		Full(2)	-	-	
	Natio Fonds Colline International[S]	France	Full(2)	-	-		Full(2)	-	-	
	Natio Fonds Collines Investissement N 1[S]	France	Full(2)	-	-		Full(2)	-	-	
	Natio Fonds Collines Investissement N 3[S]	France	Full(2)	-	-		Full(2)	-	-	
	NCVP Participacoes Societarias SA	Brazil	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	New Alpha Cardif Incubator Fund[S]	France	Full(2)	-	-		Full(2)	-	-	
	OC Health Real Estate GmbH	Germany	FV	35.0%	31.0%	E3				
	Opéra Rendement[S]	France	Full(2)	-	-		Full(2)	-	-	
	Paris Management Consultant Co Ltd	Taiwan	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Permal Cardif Co Investment Fund[S]	France	Full(2)	-	-		Full(2)	-	-	
	Pinnacle Insurance PLC	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Poistovna Cardif Slovakia AS	Slovakia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Preim Healthcare SAS[S]	France	FV	-	-		FV	-	-	
	PWH	France	FV	47.5%	47.5%		FV	47.5%	47.5%	V4
	Reumal Investissements	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Rubin SARL	Luxemburg	FV	50.0%	50.0%		FV	50.0%	50.0%	
	Rueil Ariane	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SAS HVP	France	Full(2)	100.0%	98.5%	V4	Full(2)	100.0%	98.4%	
	Schroder European Operating Hotels Fund 1[S]	Luxemburg	FV	-	-	E1				
	SCI 68/70 rue de Lagny - Montreuil	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Alpha Park	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	Sci Batipart Chadesrent	France	FV	20.0%	20.0%	E2				
	SCI Biv Malakoff	France	FV	23.3%	23.3%	E3				
	SCI BNPP Pierre I	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI BNPP Pierre II	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Bobigny Jean Rostand	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Bouleragny	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Cardif Logement	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Citylight Boulogne	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Clichy Nuovo	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Défense Etoile	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Défense Vendôme	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Etoile du Nord	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Fontenay Plaisance	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Imefa Velizy	France	FV	21.8%	21.8%		FV	21.8%	21.8%	
	SCI Le Mans Gare	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Liberté	France				S2	FV	50.0%	50.0%	
	SCI Nanterre Guilleraies	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Nantes Carnot	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Odyssée	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	

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	SCI Pantin Les Moulins	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Paris Batignolles	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Paris Cours de Vincennes	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Paris Grande Armée	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	E2
	SCI Paris Turenne	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Portes de Claye	France	Equity	45.0%	45.0%		Equity	45.0%	45.0%	
	SCI Rue Moussorgski	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Rueil Caudron	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Saint Denis Landy	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Saint Denis Mitterrand	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Saint-Denis Jade	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI SCOO	France	Equity	46.4%	46.4%		Equity	46.4%	46.4%	
	SCI Vendôme Athènes	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Villeurbanne Stalingrad	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Secar	France	FV	55.1%	55.1%		FV	55.1%	55.1%	
	Seniorenzentren Deutschland Holding SARL	Luxemburg	FV	20.0%	17.7%		FV	20.0%	17.7%	
	Seniorenzentren Reinbeck Oberursel München Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Butzbach Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Heilbronn Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Kassel Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Wolfratshausen Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	SNC Batipart Mermoz	France	FV	25.0%	25.0%	E2				
	SNC Batipart Poncelet	France	FV	25.0%	25.0%	V1	FV	23.3%	23.3%	E2
	Société Francaise d'Assurances sur la Vie	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Société Immobilière du Royal Building SA	Luxemburg	Full(2)	100.0%	88.6%		Full(2)	100.0%	88.6%	
	Tikehau Cardif Loan Europe[s]	France	Full(2)	-	-		Full(2)	-	-	
	Valeur Pierre Epargne	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Valtitres FCP[s]	France	Full(2)	-	-		Full(2)	-	-	
	Velizy Holding	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
	Vietcombank Cardif Life Insurance Co Ltd	Viet Nam								S2
Wealth Management										
	BNPP Wealth Management DIFC Ltd	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	BNPP Wealth Management Monaco	Monaco	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
Asset Management										
	Alfred Berg Kapitalforvaltning AB	Sweden								S3
	Alfred Berg Kapitalforvaltning AS	Norway	Full	100.0%	98.2%		Full	100.0%	98.2%	
	Alfred Berg Kapitalforvaltning AS (Sweden branch)	Sweden	Full	100.0%	98.2%		Full	100.0%	98.2%	
	Bancoestado Administradora General de Fondos SA	Chile	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
	BNPP AM International Hedged Strategies[s]	France	Full(4)	-	-	E1				
	BNPP Asset Management Asia Ltd	Hong Kong	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Be Holding	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Belgium	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Brasil Ltda	Brazil	Full	100.0%	99.5%		Full	100.0%	99.5%	
	BNPP Asset Management France	France	Full	100.0%	98.2%		Full	100.0%	98.2%	

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	BNPP Asset Management France (Austria branch)	Austria	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Germany branch)	Germany	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Italy branch)	Italy	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Netherlands branch)	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	E2
	BNPP Asset Management Holding	France	Full	99.9%	98.2%		Full	99.9%	98.2%	
	BNPP Asset Management India Private Ltd	India	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Japan Ltd	Japan	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Luxembourg	Luxemburg	Full	99.7%	97.9%		Full	99.7%	97.9%	
	BNPP Asset Management Nederland NV	Netherlands				S4	Full	100.0%	98.2%	
	BNPP Asset Management NL Holding NV	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management PT	Indonesia	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Services Grouping	France	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management UK Ltd	UK	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management USA Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Asset Management USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP B Control[s]	Belgium								S3
	BNPP B Institutional II[s]	Belgium	Full(4)	-	-		Full(4)	-	-	
	BNPP Capital Partners	France				S4	Full	100.0%	100.0%	
	BNPP Dealing Services	France	Full	100.0%	98.2%		Full(1)	100.0%	98.2%	
	BNPP Flexi I[s]	Luxemburg	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Funds[s]	Luxemburg	Full(4)	-	-		Full(4)	-	-	
	BNPP L1[s]	Luxemburg				S3	Full(4)	-	-	
	BNPP Multigestion[s]	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Perspectives[s]	France				S3	Full(4)	-	-	
	Drypnir AS	Norway	Full	100.0%	0.1%		Full	100.0%	0.1%	E1
	EAB Group PLC	Finland	Equity	17.6%	17.3%		Equity	17.6%	17.3%	
	Fund Channel	Luxemburg								S2
	Fundquest Advisor	France	Full	100.0%	98.2%		Full	100.0%	98.2%	
	Fundquest Advisor (United Kingdom branch)	UK	Full	100.0%	98.2%		Full	100.0%	98.2%	
	Gambit Financial Solutions	Belgium	Full	100.0%	98.2%	V1	Full	86.0%	84.4%	
	Groeivermogen NV	Netherlands				S3	Full	100.0%	98.2%	
	Haitong Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
	Harewood Helena 1 Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	HFT Investment Management Co Ltd	China	Equity	49.0%	48.1%		Equity	49.0%	48.1%	
	Impax Asset Management Group PLC	UK	Equity	13.8%	13.5%	V3	Equity	14.0%	13.7%	V2
	Parworld[s]	Luxemburg								S3
	Services Epargne Entreprise	France	Equity	35.6%	35.6%		Equity	35.6%	35.6%	V2
	Shinhan BNPP Asset Management Co Ltd	Rep. of Korea				S2	Equity	35.0%	34.4%	
	SME Alternative Financing DAC[s]	Ireland	Full	-	-		Full	-	-	
	Theam Quant[s]	Luxemburg	Full(4)	-	-		Full(4)	-	-	
Real Estate Services										
	Auguste Thouard Expertise	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Immobilier Promotion Immobilier d'Entreprise	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Immobilier Résidences Services	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	

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	BNPP Immobilier Résidentiel	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Immobilier Résidentiel Service Clients	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxemburg	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory Belgium SA	Belgium				S4	Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory Italy SPA	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory Netherlands BV	Netherlands	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Advisory SA	Romania								S2
	BNPP Real Estate APM CR SRO	Czech Rep.				S2	Full(2)	100.0%	100.0%	
	BNPP Real Estate Conseil Habitation & Hospitality	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Consult France	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Consult GmbH	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Facilities Management Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Financial Partner	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate GmbH	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Holding Benelux SA	Belgium	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Holding GmbH	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Investment Management Belgium	Belgium	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Investment Management France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Investment Management Luxembourg SA	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Spain SA	Spain	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Investment Management UK Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Italy SRL	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Magyarorszag Tanacsado Es Ingatlankezelo ZRT	Hungary				S2	Full(2)	100.0%	100.0%	
	BNPP Real Estate Poland SP ZOO	Poland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Portugal Unipersonal LDA	Portugal	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Development & Services GmbH	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Development UK Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Developpement Italy SPA	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Management Belgium	Belgium				S4	Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Management France SAS	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Management GmbH	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Property Management Italy SRL	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Singapore Pte Ltd	Singapore	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Real Estate Spain SA	Spain	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	

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			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Real Estate Transaction France	France	Full(2)	96.6%	96.6%	V2	Full(2)	96.9%	96.9%	V1
	BNPP Real Estate Valuation France	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cariboo Development SL	Spain	Equity	65.0%	65.0%		Equity	65.0%	65.0%	V2
	Construction-Sale Companies (c)	France	Full / Equity(2)	-	-		Full / Equity(2)	-	-	
	GIE Siège Issy	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Horti Milano SRL	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Lifizz	France				S4	Full(2)	100.0%	100.0%	
	Nanterre Arboretum	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	E2
	Parker Tower Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Partner's & Services	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	REPD Parker Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Société Auxiliaire de Construction Immobilière	France								S4
	Sviluppo Residenziale Italia SRL	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Wapiti Development SL	Spain	Equity	65.0%	65.0%	E1				
CORPORATE & INSTITUTIONAL BANKING										
SECURITIES SERVICES										
	Allfunds Group PLC (Ex- Allfunds UK Ltd)	UK	Equity	13.8%	13.7%	V2	Equity	22.5%	22.4%	E3
	AssetMetrix	Germany	Equity	14.9%	14.9%	V4	Equity	14.2%	14.2%	E1
	BNPP Financial Services LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Global Securities Operations Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Services	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Australia branch)	Australia	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Belgium branch)	Belgium	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Germany branch)	Germany	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Greece branch)	Greece	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Guernsey branch)	Guernsey	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Hong Kong branch)	Hong Kong	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Hungary branch)	Hungary	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Ireland branch)	Ireland	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Italy branch)	Italy	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Jersey branch)	Jersey	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Luxembourg branch)	Luxemburg	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Netherlands branch)	Netherlands	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Poland branch)	Poland	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Portugal branch)	Portugal	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Singapore branch)	Singapore	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Spain branch)	Spain	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Switzerland branch)	Switzerland	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (United Kingdom branch)	UK	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Services Logiciels d'Intégration Boursière	France	Equity(3)	66.6%	66.6%		Equity(3)	66.6%	66.6%	

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			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
CIB EMEA (Europe, Middle East, Africa)										
France										
	Atargatis[s]	France	Full	-	-		Full	-	-	
	Austin Finance[s]	France	Full	-	-		Full	-	-	
	BNPP Arbitrage	France	Full[(1)]	100.0%	100.0%		Full[(1)]	100.0%	100.0%	
	Compagnie d'Investissement Italiens[s]	France	Full	-	-		Full	-	-	
	Compagnie d'Investissement Opéra[s]	France	Full	-	-		Full	-	-	
	Ellipsis Asset Management	France	Full	100.0%	100.0%	V1/D3				
	Esomet	France								S4
	Eurotitrisation	France	Equity	21.7%	21.7%	V3	Equity	23.0%	23.0%	
	Exane	France	Full	100.0%	100.0%	V1/D3				
	Exane (Germany branch)	Germany	Full	100.0%	100.0%	V1/D3				
	Exane (Italy branch)	Italy	Full	100.0%	100.0%	V1/D3				
	Exane (Spain branch)	Spain	Full	100.0%	100.0%	V1/D3				
	Exane (Sweden branch)	Sweden	Full	100.0%	100.0%	V1/D3				
	Exane (Switzerland branch)	Switzerland	Full	100.0%	100.0%	V1/D3				
	Exane (United Kingdom branch)	UK	Full	100.0%	100.0%	V1/D3				
	Exane Asset Management	France	Equity	50.0%	50.0%	V1/D3				
	Exane Derivatives	France	Full	100.0%	100.0%	V1/D3				
	Exane Derivatives (Italy branch)	Italy	Full	100.0%	100.0%	V1/D3				
	Exane Derivatives (Switzerland branch)	Switzerland	Full	100.0%	100.0%	V1/D3				
	Exane Derivatives (United Kingdom branch)	UK	Full	100.0%	100.0%	V1/D3				
	Exane Derivatives Gerance	France	Full	100.0%	100.0%	V1/D3				
	Exane Finance	France	Full	100.0%	100.0%	V1/D3				
	Exane Participations	France	Full	99.0%	99.0%	V1/D3				
	FCT Juice[t]	France	Full	-	-		Full	-	-	
	Financière des Italiens[s]	France	Full	-	-		Full	-	-	
	Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Financière Paris Haussmann[s]	France	Full	-	-		Full	-	-	
	Financière Taitbout[s]	France	Full	-	-		Full	-	-	
	Mediterranea[s]	France	Full	-	-		Full	-	-	
	Optichamps[s]	France	Full	-	-		Full	-	-	
	Parilease	France	Full[(1)]	100.0%	100.0%		Full[(1)]	100.0%	100.0%	
	Participations Opéra[s]	France	Full	-	-		Full	-	-	
	SNC Taitbout Participation 3	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Société Orbaisienne de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Verner Investissements	France	Full	100.0%	100.0%	V1/D3	Equity	40.0%	50.0%	
	Verner Investissements NewCo1	France	Full	100.0%	100.0%	E3				
	Verner Investissements NewCo2	France	Full	100.0%	100.0%	E3				
Other European countries										
	Alectra Finance PLC[t]	Ireland				S3	Full	-	-	
	Aquarius + Investments PLC[t]	Ireland	Full	-	-		Full	-	-	
	Aries Capital DAC[t]	Ireland	Full	-	-		Full	-	-	
	Auseter Real Estate Opportunities SARL[t]	Luxemburg	Full	-	-		Full	-	-	

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			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Emissions Und Handels GmbH[t]	Germany	Full	-	-		Full	-	-	
	BNPP Invest Holdings BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Ireland Unlimited Co	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Islamic Issuance BV[t]	Netherlands	Full	-	-		Full	-	-	
	BNPP Issuance BV[t]	Netherlands	Full	-	-		Full	-	-	
	BNPP Net Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Technology LLC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP Vartry Reinsurance DAC	Ireland	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Diamante Re SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ejesur SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ellipsis AM Suisse SARL	Switzerland	Full	100.0%	100.0%	V1/D3				
	Exane Solutions Luxembourg SA	Luxemburg	Full	100.0%	100.0%	V1/D3				
	FScholen	Belgium	Equity[(3)]	50.0%	50.0%		Equity[(3)]	50.0%	50.0%	
	Greenstars BNPP	Luxemburg	Full[(2)]	100.0%	100.0%		Full[(2)]	100.0%	100.0%	
	Kantox Ltd	UK	Equity	9.5%	9.5%	V4	Equity	8.8%	8.8%	E3
	Madison Arbor Ltd[t]	Ireland	Full	-	-		Full	-	-	
	Matchpoint Finance PLC[t]	Ireland	Full	-	-		Full	-	-	
	Ribera Del Loira Arbitrage	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Scaldis Capital Ltd[t]	Jersey								S3
	Securasset SA[t]	Luxemburg	Full	-	-	E1				
	Single Platform Investment Repackaging Entity SA[t]	Luxemburg	Full	-	-		Full	-	-	E2
	Utexam Logistics Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Utexam Solutions Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Middle East										
	BNPP Investment Co KSA	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
AMERICAS										
	Banco BNPP Brasil SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Canada Corp	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Capital Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Colombia Corporacion Financiera SA	Colombia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Energy Trading GP	USA								S1
	BNPP Energy Trading LLC	USA								S1
	BNPP EQD Brazil Fund Fundo de Investmento Multimercado[s]	Brazil	Full	-	-		Full	-	-	
	BNPP FS LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP IT Solutions Canada Inc	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Mexico Holding	Mexico	Full	100.0%	100.0%	E1				
	BNPP Mexico SA Institucion de Banca Multiple	Mexico	Full	100.0%	100.0%	E1				
	BNPP Proprietario Fundo de Investimento Multimercado[s]	Brazil	Full	-	-		Full	-	-	
	BNPP RCC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	

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			31 December 2021				31 December 2020			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Securities Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP US Investments Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP US Wholesale Holdings Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP VPG Brookline Cre LLC[s]	USA	Full	-	-		Full	-	-	
	BNPP VPG EDMC Holdings LLC[s]	USA	Full	-	-		Full	-	-	
	BNPP VPG Express LLC[s]	USA	Full	-	-		Full	-	-	
	BNPP VPG I LLC[s]	USA	Full	-	-		Full	-	-	
	BNPP VPG II LLC[s]	USA	Full	-	-		Full	-	-	
	BNPP VPG III LLC (Ex- BNPP VPG CT Holdings LLC)[s]	USA	Full	-	-		Full	-	-	
	BNPP VPG Master LLC[s]	USA	Full	-	-		Full	-	-	
	Dale Bakken Partners 2012 LLC	USA	FV	23.8%	23.8%		FV	23.8%	23.8%	
	Decart Re Ltd[s]	Bermuda	Full(2)	-	-		Full(2)	-	-	
	Exane Inc	USA	Full	100.0%	100.0%	V1/D3				
	FSI Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Starbird Funding Corp[t]	USA	Full	-	-		Full	-	-	
PACIFIC ASIA										
	Bank BNPP Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP China Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Commodities Trading Shanghai Co Ltd	China								S3
	BNPP Finance Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP India Holding Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP India Solutions Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Malaysia Berhad	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Asia Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Sekuritas Indonesia PT	Indonesia	Full	99.0%	99.0%		Full	99.0%	99.0%	
	BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Contour Pte Ltd (Ex - Global Trade Network Pte Ltd)	Singapore				S2	Equity	7.5%	7.5%	E3
OTHER BUSINESS UNITS										
Principal Investments										
	BNPP Agility Capital	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	BNPP Agility Fund Equity SLP[s]	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Agility Fund Private Debt SLP[s]	France	Full(4)	-	-		Full(4)	-	-	E1
Property Companies (Property Used In Operations) and Others										
	Antin Participation 5	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Home Loan SFH	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Partners for Innovation	France	Full	100.0%	100.0%	V1/D4	Equity	50.0%	50.0%	
	BNPP Partners for Innovation Belgium	Belgium	Full	100.0%	100.0%	V1/D4				
	BNPP Partners for Innovation Italia SRL	Italy	Full	100.0%	100.0%	V1/D4				

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Business	Name	Country	31 December 2021 Method	Voting (%)	Interest (%)	Ref.	31 December 2020 Method	Voting (%)	Interest (%)	Ref.
	BNPP Procurement Tech	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Public Sector SA (Ex- BNPP Public Sector SCF)	France	Full	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Euro Secured Notes Issuer[s]	France	Full	-	-		Full	-	-	
	FCT Lafayette 2021[t]	France	Full	-	-	E2				
	FCT Laffitte 2016[t]	France				S1	Full	-	-	
	FCT Laffitte 2021[t]	France	Full	-	-	E2				
	FCT Opéra 2014[t]	France	Full	-	-		Full	-	-	
	GIE Groupement Auxiliaire de Moyens	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	GIE Groupement d'Etudes et de Prestations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Transvalor	France	Equity	20.2%	20.2%	E1				

(a) At 31 December 2021, 11 Private Equity investment entities versus 12 Private Equity investment entities at 31 December 2020

(b) At 31 December 2021, the securitisation funds UCI and RMBS Prado include 15 funds (FCC UCI 11, 12, 14 à 17, Fondo de Titulizacion Structured Covered Bonds, RMBS Prado III to IX et Green Belem I) versus 16 funds (FCC UCI 9 to 12, 14 to 17, Fondo de Titulizacion Structured Covered Bonds, RMBS Prado II to VII and Green Belem I) at 31 December 2020

(c) At 31 December 2021, 115 Construction-sale companies (89 Full and 26 Equity) versus 112 at 31 December 2020 (89 Full and 23 Equity)

As requested by the ANC 2016 regulation, the list of entities that are controlled by the Group, jointly controlled or under significant influence, but excluded from the scope of consolidation since their contribution to the consolidated financial statements would be immaterial to the Group, and the list of equity investments, are available on the "Regulated Information" page of the https://invest.bnpparibas.com website.

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, *etc.*)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 Entities of a business held for sale
- D3 The Verner Investissements group was consolidated under equity method in BNP Paribas Group until 13 July 2021. Following the additional purchase of interest by BNP Paribas Group, the Verner Investments group is fully consolidated (see note 7.c.)
- D4 The BNPP Partners for Innovation group was consolidated under equity method in BNP Paribas Group until 31 December 2021. Following the additional purchase by the Group, the BNPP Partners for Innovation group is fully consolidated.

- Equity * Controlled but non material entities consolidated under the equity method as associates
- FV Joint control or investment in associates measured at Fair Value through P&L
- s Structured entities
- t Securitisation funds

Prudential scope of consolidation

- (1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
- (2) Entities consolidated under the equity method in the prudential scope
- (3) Jointly controlled entities under proportional consolidation in the prudential scope
- (4) Collective investment undertaking excluded from the prudential scope.

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7.m FEES PAID TO THE STATUTORY AUDITORS

Year to 31 Dec. 2021	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Statutory audits and contractual audits, including	16,037	76%	17,925	70%	12,979	88%	46,941	76%
- Issuer	3,774		4,780		3,179		11,733	
- Consolidated subsidiaries	12,263		13,145		9,800		35,208	
Services other than those required for their statutory audit engagement, including	5,081	24%	7,727	30%	1,694	12%	14,502	24%
- Issuer	1,801		2,310		825		4,936	
- Consolidated subsidiaries	3,280		5,417		869		9,566	
TOTAL	**21,118**	**100%**	**25,652**	**100%**	**14,673**	**100%**	**61,443**	**100%**
of which fees paid to statutory auditors in France for the statutory audit and contractual audit	*5,710*		*5,225*		*5,962*		*16,897*	
of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements	*1,634*		*2,427*		*983*		*5,044*	

Year to 31 Dec. 2020	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Statutory audits and contractual audits, including	14,383	74%	18,661	74%	12,315	81%	45,359	76%
- Issuer	3,567		4,795		2,463		10,825	
- Consolidated subsidiaries	10,816		13,866		9,852		34,534	
Services other than those required for their statutory audit engagement, including	5,061	26%	6,517	26%	2,826	19%	14,404	24%
- Issuer	1,094		919		354		2,367	
- Consolidated subsidiaries	3,967		5,598		2,472		12,037	
TOTAL	**19,444**	**100%**	**25,178**	**100%**	**15,141**	**100%**	**59,763**	**100%**
of which fees paid to statutory auditors in France for the statutory audit and contractual audit	*4,355*		*5,525*		*5,132*		*15,012*	
of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements	*1,364*		*1,588*		*1,640*		*4,592*	

The audit fees paid to auditors which are not members of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 373 thousand for the year 2021 (EUR 621 thousand in 2020).

Services other than those required for the statutory audit engagement are mainly composed this year of reviews of the entity's compliance with regulatory requirements, and reviews of internal control quality by comparison with international standards (such as ISAE 3402) as part of services provided to customers, particularly in the Securities and Asset Management businesses, and expertise on the Bank's transformation projects.

2. SREP PRESS RELEASE AND 8 FEBRUARY 2022 PRESS RELEASE AND RELATED PRESENTATION

BNP Paribas have released the following:

(a) a press release dated 4 February 2022 relating to the notification by the ECB of the 2021 Supervisory Review and Evaluation Process (the "**SREP Press Release**"); and

(b) a press release and presentation dated 8 February 2022 relating to the unaudited financial information of BNP Paribas for the fourth quarter ended 31 December 2021 and the unaudited figures for the year ended 31 December 2021 (the "**8 February 2022 Press Release and Related Presentation**").

Paris, 4 February 2022

PRESS RELEASE

NOTIFICATION by the ECB of THE 2021 SUPERVISORY REVIEW AND EVALUaTION PROCESS (SREP)

BNP Paribas has received the notification by the European Central Bank of the outcome of the 2021 Supervisory Review and Evaluation Process (SREP), which states the capital requirements on a consolidated basis for the Group.

The Common Equity Tier 1 (CET1) requirement that the Group has to respect as from 1st March 2022 on a consolidated basis is 9.27% (excluding the Pillar 2 guidance), which includes 1.50% for the G-SIB buffer, 2.50% for the Conservation buffer, 0.74% for the Pillar 2 requirement and including 0.03% of countercyclical buffer. The requirement for the Tier 1 Capital is 11.02%. The requirement for the Total Capital is 13.35% (of which 1.32% for the Pillar 2 requirement).

The Pillar 2 requirement of 1.32% includes an add-on of 0.07% related to non-performing exposures on aged loans granted before 26 April 2019. The Group books provisions on these non-performing exposures based on an analysis of the intrinsic risk of loss according to applicable accounting standards and the latter could differ from the new supervisory expectations based on a fixed calendar of progressive provisioning[1]. Excluding this add-on, the Pillar 2 requirement remains unchanged at 1.25% compared to SREP 2020.

The Group is well above these regulatory requirements.

1. *Addendum to the ECB Guidance to banks on non-performing loan* published in March 2018 and *Communication on supervisory coverage expectations for NPEs* published in August 2019

About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. …

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2021 FULL YEAR RESULTS

PRESS RELEASE
Paris, 8 February 2022

VERY STRONG INCREASE IN RESULTS

SUSTAINED REVENUE GROWTH
Very good momentum at Domestic Markets
Increase in Asset Management and Insurance revenues
Further increase at CIB

Revenues: +4.4% vs. 2020
(+3.7% vs. 2019)

POSITIVE JAWS EFFECT DESPITE THE INCREASE IN THE SRF[1] CONTRIBUTION

BUSINESS DEVELOPMENT AND INVESTMENTS

Operating expenses: +3.0% vs. 2020
(-0.7% vs. 2019)

LOW COST OF RISK: 34bp[2]

VERY STRONG GROWTH IN NET INCOME[3] VS. 2020 AND 2019

Net income[3]: €9,488m, +34.3% vs. 2020
(+16.1% vs. 2019)

VERY SOLID BALANCE SHEET

CET1 RATIO[4]: 12.9%

ROTE[5]: 10.0%

2021 PAY-OUT RATIO: 60%
(50% in cash[6], 10% in share buyback[7])

LAUNCH OF THE STRATEGIC PLAN

Growth, Technology & Sustainability 2025

1. Single Resolution Fund; 2.Cost of risk vs. Customer loans outstanding at the beginning of the period; 3. Net income, group share;

4. CRD4, including IFRS9 transitional arrangements; 5. Return on tangible equity non revaluated; 6.Subject to the approval of the General Meeting of 17 May 2022; 7. Share buyback programme totalling €900m executed in 4Q21

The figures included in this announcement are unaudited.

This announcement 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, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally, in particular in the context of the Covid-19 pandemic, or in BNP Paribas' 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 presentation speaks as of the date of this presentation.

BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

The information contained in this announcement as it relates to parties other than BNP Paribas 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. Neither BNP Paribas nor its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.

The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.

The Board of Directors of BNP Paribas met on 7 February 2022, chaired by Jean Lemierre. The Board examined the Group's results for the fourth quarter 2021 and endorsed the 2021 financial statements.

Commenting on these results, Jean-Laurent Bonnafé, Chief Executive Officer, said after the Board meeting:

« Thanks to the engagement of its teams and the strength of its model, BNP Paribas achieved a very good performance in 2021. BNP Paribas confirms its major role in financing the economy, notably in Europe.

This performance reflects a unique positioning as a European leader, with platforms to best serve corporate, institutional and individual clients. This performance acknowledge our long-term commitment by their side in all phases of the economic cycle.

With a reinforced profitability in 2021 and a 10% ROTE, the Group's results is the outcome of our long-term strategy and transformation. We have digitalised the bank in depth to improve the customer experience and the efficiency of our activities. We have built powerful platforms to serve our clients and partners. We have supported them in their development and in accelerating their ecological transition.

The combination of our talents, our leading European platforms, our distinctive model and the Group's financial strength allows BNP Paribas to be ideally positioned to implement its Growth, Technology & Sustainability 2025 *strategic plan.*

We are fully committed to pursue our development to meet clients' expectations, to foster value creation for our stakeholders and generate sustainable growth with an objective in ROTE of more than 11% by 2025, while further integrating both environmental and social dimensions in an industrialized way in all the Bank's activities.

I would like to thank BNP Paribas teams in all its entities for their constant presence at the side of our clients, who are increasingly numerous in placing their confidence in us»

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Unless otherwise mentioned, the financial information and items contained in this announcement include the activity related to BancWest reflecting an operational view. Such financial information and items therefore do not reflect the effects produced by applying IFRS 5, which pertains to non-current assets and liabilities held for sale. The press release includes in appendix a reconciliation between the operational view presented without applying IFRS 5 and the consolidated financial statements based on an application of IFRS 5.

A ROBUST PERFORMANCE AND VALUE CREATION

BNP Paribas achieved a robust performance, on the back of its integrated and diversified model based on it platforms and client franchises leaders in Europe and well-positioned internationally.

The Group's diversification and ability to accompany clients and the economy in a comprehensive way sustained the increase in revenues compared to 2020 (+4.4%) and 2019 (+3.7%). The development of platforms at marginal cost and ongoing efficiency measures allowed the Group to invest while delivering a positive jaws effects on the year, despite the increased contribution to the SRF[1]. With a Common Equity

[1] Single Resolution Fund

Tier 1 ratio of 12.9%[1] as at 31 December 2021 and a 10.0% return on tangible equity not revaluated, the Group once again demonstrated its ability to create value in a continuous and sustainable way.

All in all, revenues, at 46,235 million euros, increased by 4.4% compared to 2020 and by 3.7% compared to 2019[2].

In the operating divisions, revenues rose by 2.4% at historical scope and exchange rates and by 3.7% at constant scope and exchange rates. They were up sharply by 5.2% at Domestic Markets[3], driven by the increase in the networks[4], in particular in France, and by very strong growth in specialised businesses, Arval in particular. International Financial Services' revenues decreased by 1.2% at historical scope and exchange rates but rose by 1.7% at constant scope and exchange rates, with a strong increase in asset-gathering businesses, an increase at Insurance and at BancWest, and a less favourable context for the other businesses. CIB achieved a further increase in revenues (+3.4% at historical scope and exchange rates and +4.1% at constant scope and exchange rates), at a high level (+17.8% compared to 2019).

The Group's operating expenses, at 31,111 million euros, rose by 3.0% compared to 2020, in relation with the support for growth and investments, and were 0.7% lower than in 2019. Operating expenses this year included the exceptional impact of restructuring[5] and adaptation costs[6] (164 million euros) and IT reinforcement costs (128 million euros) for a total of 292 million euros (total exceptional operating expenses of 521 million euros in 2020, when they also included the exceptional impact of 132 million euros in donations and staff-safety measures related to the public health crisis). The jaws effect was positive (+1.4 point).

For 2021, Group operating expenses are impacted by a 193 million euros increase in taxes subject to IFRIC 21 (including the contribution to the SRF[7]) compared to 2020, an equivalent of more than 20% of operating expenses increase between 2020 and 2021. The taxes subject to IFRIC 21 (including the contribution to the SRF[6]) stood at 1 516 million euros in 2021. The contribution to the SRF[6] stood at 967 million euros in 2021 vs. 760 million in 2020, increasing by 27.2%

In the operating divisions, operating expenses increased by 2.7% compared to 2020. They rose by 2.0% compared to 2020 at Domestic Markets[2], due particularly to support for growth in the specialised businesses and the rebound of activity in the networks[3], they were contained by cost-savings measures. The jaws effect was very positive (+3.1 points). At International Financial Services, operating expenses increased by 1.1% at historical scope and exchange rates and by 4.2% at constant scope and exchange rates, mainly driven by business development and targeted initiatives. At CIB, operating expenses increased by 5.4% at historical scope and exchange rates and by 4.0% at constant scope and exchange rates, driven by business development, targeted investments, and the impact of taxes subject to IFRIC 21.

The Group's gross operating income thus came to 15,124 million euros, up by 7.4% compared to 2020 and by 14.1% compared to 2019.

The cost of risk, at 2,925 million euros, decreased by 48.8% compared to 2020 and stood at 34 basis points of customer loans outstanding. It stood at a low level in particular due to a limited number

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[1] CRD4, including IFRS9 transitional arrangements

[2] This included, in the fourth quarter 2020, the -104 million euro exceptional accounting impact of a swap set up for the transfer of a business

[3] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

[4] FRB, BNL bc and BRB

[5] Related to the restructuring of certain businesses, in particular at CIB

[6] Adaptation measures in particular at Wealth Management, CIB and BancWest

[7] Single Resolution Fund

of new defaults and compared to a high basis in 2020, which had a total of 1.4 billion euros in provisions on performing loans (stages 1 and 2). Write-backs of provisions on performing loans were marginal in 2021 (78 million euros).

The Group's operating income thus amounted to 12,199 million euros, a very strong 45.9% increase compared to 2020 and up sharply, by 21.3%, compared to 2019. It rose in all divisions.

Non-operating items came to 1,438 million euros in 2021 (1,458 million euros in 2020). They included the exceptional impacts of capital gains of +486 million euros (+699 million euros in 2020) on building sales, of +444 million euros (+371 million euros in 2020) on the sale of Allfunds shares[1], and of +96 million euros on the sale of a stake of BNP Paribas Asset Management, as well as -74 million euros (-130 million euros in 2020) in depreciations.

Pre-tax income, at 13,637 million euros (9,822 million euros in 2020), rose very sharply by 38.8% and 19.7% compared to 2019.

Corporate income taxes totalled 3,757 million euros, up strongly by 56.1% compared to 2020 (2,407 million euros in 2020). The average corporate tax rate was 28.7%, vs. 25.6% in 2020, mainly due to the increase in taxes and contributions subject to IFRIC 21, a large proportion of which are not deductible.

The Group's net income attributable to equity holders thus came to 9,488 million euros in 2021, up very sharply compared to 2020 (+34.3%) and with 2019 (+16.1%). Excluding exceptional items, it came to 9,009 million euros, up very sharply by 32.4% compared to 2020.

The return on tangible equity not revaluated was 10.0% and reflected the solid performances of the BNP Paribas group, driven by the strength of its diversified and integrated model and its continuous and sustainable value creation.

As at 31 December 2021, the Common Equity Tier 1 ratio stood at 12.9%[2], up by 10 basis points compared to 31 December 2020. The Group's immediately available liquidity reserve totalled 452 billion euros, equivalent to more than one year of room to manoeuvre in terms of wholesale funding. Its leverage ratio[3] stood at 4.1%.

Tangible net book value[4] per share stood at 78.7 euros, equivalent to a compound annual growth rate of 7.2% since 31 December 2008, illustrating continuous value creation throughout economic cycles.

The Board of Directors will propose to the shareholders' Annual General Meeting on 17 May 2022 to pay out a dividend of 3.67 euros in cash, equivalent to a 50% pay-out ratio in cash of 2021 results. This payment will raise the total pay-out on the year 2021 to 60%, when factoring in the 900 million euro share buyback program executed between 1 November 2021 and 6 December 2021, which was equivalent to a 10% pay-out ratio on 2021 results.

The Group continued its ambitious policy of engaging with society and continued to reinforce its internal control set-up.

[1] Disposal of 8.69% stake in Allfunds, BNP Paribas still holds a 13.81% stake in Allfunds

[2] CRD4; including IFRS9 transitional arrangements

[3] Calculated in accordance with Regulation (EU) 2019/876, without opting for the temporary exclusion related to deposits with Eurosystem central banks authorised by the ECB decision of 18 June 2021

[4] Revaluated

In the fourth quarter 2021, revenues, at 11,232 million euros, increased by 3.7% compared to the fourth quarter 2020[1].

In the operating divisions, revenues increased by 1.3%[2]. They were up by 3.9% at Domestic Markets[3], driven by an increase in the networks[4] (in particular in France), and by strong growth at specialised businesses, including a very sharp increase at Arval. It increased by 1.9% at International Financial Services at constant scope and exchange rates[5], driven by the very good performance at Wealth and Asset Management and Insurance and growth at BancWest, offset in part by a less favourable context at Personal Finance and Europe-Mediterranean. CIB revenues decreased by 1.5% compared to the high base in the fourth quarter 2020 and rose by 5.3% compared to the fourth quarter 2019. They were driven mainly by strong growth at Corporate Banking and a sharp increase at Securities Services.

The Group's operating expenses, at 7,930 million euros, rose by 4.9%, due to business development and targeted investments. They included the exceptional impact of restructuring[6] and adaptation costs[7] (61 million euros) and IT reinforcement costs (21 million euros) for a total exceptional costs of 82 million euros (vs. 175 million in the fourth quarter 2020, when they also included the exceptional 24 million euro impact of donations and staff-safety measures related to the public health crisis).

Operating expenses in the operating divisions rose by 5.2% compared to the fourth quarter 2020. They increased by 3.1% at Domestic Markets[8], related to business development in the specialised businesses and the rebound in activity in the networks[9]. The jaws effect was positive. They rose by 6.9% at constant scope and exchange rates[10] at International Financial Services, on the back of business development and targeted initiatives. They increased by 7.2% at CIB in relation with platforms development (integration of Exane and finalisation of the transfer of prime brokerage clients in the fourth quarter 2021) and were stable at constant scope and exchange rates.

The Group's gross operating income came to 3,302 million euros (3 265 million euros in the fourth quarter 2020), up by 1.1% compared to the fourth quarter 2020.

The cost of risk, at 510 million euros, decreased by 1 089 million euros in comparison with a high base in the fourth quarter 2020. It stood at 23 basis points of customer loans outstanding. It was at a low level due to a limited number of new defaults and some write-backs of provisions on performing loans (stages 1 and 2).

The Group's operating income, at 2,792 million euros (1,666 million euros in the fourth quarter 2020) thus increased strongly, by 67.6% compared to the fourth quarter 2020. It rose very sharply by 36.6% compared to the fourth quarter 2020 in the operating divisions.

The Group's non-operating items came to 378 million euros (564 million euros in the fourth quarter 2020). They included a 184 million euro capital gain on building sales (193 million euros in the fourth quarter 2020)

[1] This included, in the fourth quarter 2020, the -104 million euro exceptional accounting impact of a swap set up for the transfer of a business

[2] +0.6% at constant scope and exchange rates

[3] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

[4] FRB, BNL bc and BRB

[5] +0.9% at historical scope and exchange rates

[6] Restructuring costs related in particular to the discontinuation or restructuring of certain businesses (particularly at CIB)

[7] Adaptation measures in particular at Wealth Management and CIB

[8] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

[9] FRB, BNL bc and BRB

[10] +5.7% at historical scope and exchange rates

and a 75 million euro positive impact of depreciations (-130 million euros in the fourth quarter 2020). They had included in the fourth quarter 2020 the exceptional impact of the 371 million euro capital gain related to Allfunds.

Pre-tax income, at 3,170 million euros (2,230 million euros in the fourth quarter 2020), thus rose strongly, by 42.2% compared to the fourth quarter 2020.

Net income, group share came to 2,306 million euros, up very sharply by 44.9% compared to the fourth quarter 2020.

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

For the whole of 2021, Domestic Markets' results were up very sharply, driven by increased activity. Loans outstanding rose by 4.2% compared to 2020 and were up in all businesses, with a good increase in individual and corporate loans. Deposits rose by 8.6% compared to 2020, driven by the effects of the public health crisis on customer behaviour. Financial savings expanded robustly, off-balance sheet savings increased strongly (+9.7% compared to 31 December 2020). Private banking achieved very good net asset inflows of almost 7.7 billion euros in 2021.

Revenues[1], at 16,275 million euros, rose by 5.2% compared to 2020. The performance in the networks[2] was very good overall (+3.2%), driven by the steep rise in fees and growth at the specialised subsidiaries, despite the impact of the low-interest-rate environment. Growth at the specialised businesses continued, including very strong increases at Arval (+19.5%), Leasing Solutions (+7.7%) and Nickel (+24.9%).

Operating expenses[1], at 10,784 million euros rose by 2.0% compared to 2020 in support of business development. They increased by 0.7% in the networks[2] and by 8.1% in the specialised businesses. The jaws effect was very positive (+3.1 points).

Gross operating income[1], at 5,491 million euros, rose sharply by 11.8% compared to 2020.

A 1,185 million euros, the cost of risk decreased by 18.6% compared to a high 2020 base, mainly due to a limited number of new defaults in 2021.

As a result, after allocating one third of Private Banking's net income to Wealth Management (International Financial Services division), Domestic Markets achieved pre-tax income[3] of 4,123 million euros, up very sharply by 26.0% compared to 2020.

In the fourth quarter 2021, revenues[1], at 4,130 million euros, increased by 3.9% compared to the fourth quarter 2020. They rose in the networks[2], driven by the increase in financial fees and growth in loan activity, which were partly offset by the impact of the low-interest-rate environment. They rose sharply in the specialised businesses, especially at Arval. Operating expenses[1] increased by 3.1% compared to the fourth quarter 2020, to 2,691 million euros. They rose by 1.9% in the networks[2] and by 8.1% in the specialised businesses, in connection with their growth. The jaws effect was positive (+0.8 point). Gross operating income[1] thus came to 1,440 million euros and increased by 5.4% compared to the fourth quarter 2020. The cost of risk[1] improved by 216 million euros compared to the fourth quarter 2020 to 243 million euros. As a result, after allocating one third of Private Banking's net income to Wealth Management (International Financial Services division), Domestic Markets achieved pre-tax income[4] of 1,129 million euros, up sharply compared to the fourth quarter 2020 (+26.8%).

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[1] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

[2] FRB, BNL bc and BRB

[3] Excluding PEL/CEL effects of +29 million euros compared to +3 million euros in 2020

[4] Excluding PEL/CEL effects of +6 million euros, compared to 0 million euros in the fourth quarter 2020

French Retail Banking (FRB)

For the whole of 2021, FRB achieved sustained business drive. Loans outstanding increased by 5.4% compared to 2020, driven mainly by an increase in individual customer loans. Mortgage loan production was strong, and corporate loan production accelerated late in the year. Deposits rose by 8.2% compared to 2020, driven by the effects of the public health crisis on customer behaviour. FRB achieved a strong increase in payment means and cash management fees (+11.5%[1] compared to 2020), which exceeded their level of 2019 (+5.3% compared to 2019). In 2021, FRB also stood out in equity capital operations for small and mid-sized companies, with eight IPOs, including five in greentech. Lastly, the transformation of financial savings remained robust, with a 5.0% increase in off-balance sheet savings compared to 31 December 2020 and almost 9.5 billion euros of gross asset inflows in life insurance (+41% compared to 2020). Private banking in France in 2021 achieved strong net asset inflows of 4.2 billion euros, raising its assets under management to 122 billion euros as at 31 December 2021.

Revenues[2] came to 6,240 million euros, up by 5.0% compared to 2020. Net interest income[2] rose by 2.1%, thanks to the good performance of the specialised subsidiaries and loan activity and despite the impact of low rates. Fees[2] rose sharply by 8.6% compared to 2020 and were higher than in 2019 (+4.8% compared to 2019).

Operating expenses[2], at 4,551 million euros, increased by 1.4% compared to 2020, driven by the ongoing impact of cost-optimisation measures. The jaws effect was very positive (+3.6 points).

Gross operating income[2] came to 1 689 million euros, up very sharply by 16.2% compared to 2020.

The cost of risk[2] came to 441 million euros, up by 55 million euros compared to 2020. At 21 basis points of customer loans outstanding, it was at a low level.

As a result, after allocating one third of Private Banking's net income in France to Wealth Management (International Financial Services division), FRB achieved pre-tax income[3] of 1,149 million euros, up very sharply by 33.3% compared to 2020.

In the fourth quarter 2021, revenues[2] came to 1 602 million euros, up by 5.7% compared to the fourth quarter 2020. Net interest income[2] rose by 2.7%, driven by higher loan activity, which were offset partly by the impact of the low-interest-rate environment. Fees[2] rose sharply by 9.5%. All fees increased strongly to a level higher than in 2019. Operating expenses[2], at 1,178 million euros, rose by 4.6% compared to the fourth quarter 2020, driven by the recovery in business activity and targeted initiatives, an increase contained by ongoing cost-optimisation measures. The jaws effect was positive (+1.1 point). Gross operating income[2] came to 424 million euros, up sharply by 8.7% compared to the fourth quarter 2020. The cost of risk[2] came to 99 million euros (169 million euros in the fourth quarter 2020). At 19 basis points of customer loans outstanding, it was at a low level. As a result, after allocating one third of Private Banking's net income in France to Wealth Management (International Financial Services division), FRB achieved pre-tax income[4] of 272 million euros, up very strongly by 21.2% compared to the fourth quarter 2020.

[1] Scope: corporate clients

[2] Including 100% of Private Banking in France (excluding PEL/CEL effects)

[3] Excluding PEL/CEL effects of +29 million euros compared to +3 million euros in 2020

[4] Excluding PEL/CEL effects of +6 million euros, compared to 0 million euros in the fourth quarter 2020

BNL banca commerciale (BNL bc)

For the whole of 2021, BNL bc's commercial activity was robust. Loans outstanding rose by 1.5% compared to 2020 and by 3.7% excluding non-performing loans. BNL bc continues to win market shares in all customer segments. Deposits rose by 12.3% compared to 2020 and were up in all customer segments. Outstandings in off-balance sheet savings increased by 10.0% compared to 31 December 2020, driven by a strong increase in mutual fund outstandings (+14.1% vs. 31 December 2020) and the ongoing increase in life insurance outstandings (+7.3% vs. 31 December 2020). At almost 2.2 billion euros, net asset inflows in Private Banking were very strong. BNL bc also achieved an increase in card payments, particularly among individual customers both in terms of transaction numbers (+31% compared to 2020) and volumes (+19% compared to 2020).

Revenues[1] decreased slightly by 0.3%, compared to 2020, to 2,680 million euros. Net interest income[1] decreased by 4.9%, as the impact of the low-interest-rate environment was only partly offset by the impact of higher credit volumes. Fees[1] increased by 8.3% compared to 2020. All fees rose strongly.

Operating expenses[1], at 1,781 million euros, rose by 2.0% compared to 2020, mainly due to taxes subject to IFRIC 21 and the business recovery. The effects of adaptation measures (the "Quota 100" retirement plan) continued.

Gross operating income[1] thus came to 899 million euros, down by 2.8% compared to 2020.

The cost of risk[1], at 487 million euros, improved by 38 million euros compared to 2020, driven by write-backs of provisions on performing loans (stages 1 and 2), and a limited number of new defaults. It stood at 62 basis points of customer loans outstanding.

As a result, after allocating one third of Private Banking's net income in Italy to Wealth Management (International Financial Services division), BNL bc achieved pre-tax income of 376 million euros, up by 3.7% compared to 2020.

In the fourth quarter 2021, revenues[1] decreased by 3.8% compared to the fourth quarter 2020 and came to 668 million euros. Net interest income were down by 10.7%, due to the low-interest-rate environment, which was partly offset by higher loan volumes. Fees[1] rose sharply, by 6.5%, driven by the expansion in transactional activity and in financial savings. At 438 million euros, operating expenses[1] rose by 1.0% compared to the fourth quarter 2020, due in particular to targeted initiatives, offset partly by adaptation measures (the "Quota 100" retirement plan). Gross operating income[1] came to 230 million euros, 260 million euros in the fourth quarter 2020, or a 11.7% decrease. At 143 million euros, the cost of risk[1] improved by 19 million euros with moderate write-backs of provisions on performing loans (stages 1 & 2) and thus stood at 71 basis points of customer loans outstanding. As a result, after allocating one third of Private Banking's net income in Italy to Wealth Management (International Financial Services division), BNL bc achieved pre-tax income of 78 million euros, down by 12.9% compared to the fourth quarter 2020.

[1] Including 100% of Private Banking in Italy

Belgian Retail Banking

For the whole of 2021, BRB's business activity was good. Loans outstanding increased by 2.4% compared to 2020 and were up in all customer segments. Deposits increased by 6.0% and rose in all customer segments compared to 2020. The increase in off-balance sheet savings was robust (+11.3% compared to 31 December 2020), driven in particular by favourable trends in mutual fund outstandings. Digital uses accelerated, with more than 65 million monthly connexions on mobile apps[1] (+42.9% compared to the fourth quarter 2020). Meanwhile, at the beginning of January 2022 BRB closed its acquisition of the 50% of bpost banque shares it did not already own, together with a seven-year partnership to distribute financial services in the post office network.

Revenues[2] increased by 2.2% compared to 2020, to 3,509 million euros. Net interest income decreased by 1.7%[3], due to the impact of the low-interest-rate environment, which was partially offset by the strong contribution of the specialised subsidiaries and growth in loan volumes. Fees[2] rose by 12.0% compared to 2020. All fees increased strongly.

Operating expenses[2], at 2,375 million euros, decreased by 1.4% compared to 2020, on the back of cost-savings measures and further optimisation of the branch network. The jaws effect was very positive (+3.6 points).

Gross operating income[2], at 1,135 million euros, increased strongly by 10.8% compared to 2020.

At 99 million euros, the cost of risk[2] improved by 130 million euros compared to 2020 (230 million euros). At 8 basis points of customer loans outstanding, the cost of risk was very low.

As a result, after allocating one third of Private Banking's net income in Belgium to Wealth Management (International Financial Services division), BRB thus achieved pre-tax income of 989 million euros, a very robust increase of 29.8% compared to 2020.

In the fourth quarter 2021, revenues[2] decreased by 0.8% compared to the fourth quarter 2020, at 854 million euros. Net interest income[2] decreased by 3.8%, due to the impact of the low-interest-rate environment, which was partially offset by growth generated by loan activity. Fees rose by 6.3%, driven by the increase in financial fees. Operating expenses[2] decreased by 2.8% compared to the fourth quarter 2020, thanks to cost-reduction measures and ongoing optimisation of the branch network. The jaws effect was very positive (+2.0 points). The cost of risk[2] improved with a write back of 28 million euros this quarter, compared to a provision of 67 million euros in the fourth quarter 2020, driven by write-backs of provisions on performing loans (stages 1 and 2) and a limited number of new defaults. As a result, after allocating one third of Private Banking's net income in Belgium to Wealth Management (International Financial Services division), BRB achieved very strong growth in pre-tax income to 328 million euros (+42.7% compared to the fourth quarter 2020).

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[1] Scope: individual, business and private banking customers (BNP Paribas Fortis and Hello Bank!). On average in the fourth quarter

[2] Including 100% of Private Banking in Belgium

[3] A positive impact not recurring in the third quarter 2021

Other Domestic Markets businesses (Arval, Leasing Solutions, Personal Investors, Nickel and Luxembourg Retail Banking)

For the whole of 2021, all Domestic Markets specialised businesses achieved a strong increase in results and very good development in their business activity. Arval's financed fleet expanded sharply (+6.2%[1] compared to 2020), and second-hand vehicle prices continued to rise. Leasing Solutions' outstandings increased by 4.3%[2] compared to 2020, and production momentum remained strong, hitting a level higher than in 2019 (+8.4% compared to 2019). Personal Investors achieved a significant increase in assets under management (+28.3% compared to 31 December 2020), driven by good market performance. The number of new customers rose in particular at Consorsbank in Germany (+14.9% compared to 2020). Nickel continued to expand in France with almost 2.4 million accounts opened[3] and more than 7100 points of sale in France and Spain. Loans outstanding at Luxembourg Retail Banking (BDEL) increased by 6.1% compared to 2020, with improved margins and high production of mortgage loans. Fees rose.

Revenues[4] of the five businesses, at 3,846 million euros, rose sharply by 12.1% compared to 2020, driven in particular by the very strong increase at Arval, and the good performances by the other businesses, Leasing Solutions in particular.

Operating expenses[4] increased by 8.1% compared to 2020, to 2,078 million euros, due to business development. The jaws effect was very positive (+4.1 points).

The cost of risk[4] improved by 48 million euros, compared to 2020 and came to 157 million euros (205 million euros in 2020).

As a result, pre-tax income of these five businesses, after allocating one third of Private Banking's domestic net income in Luxembourg to Wealth Management (International Financial Services division), came to 1,608 million euros, up very sharply by 25.3% compared to 2020.

In the fourth quarter 2021, revenues[4] of the five businesses, at 1,006 million euros, was on the whole up very sharply, by 11.2% compared to the fourth quarter 2020, driven by the strong increase at Arval, the very good performance of Leasing Solutions and Nickel and the very positive expansion in revenues at Luxembourg Retail Banking, driven by higher fees. Personal Investors' revenues stabilised at a high level. At 534 million euros, operating expenses[4] increased by 8.1% compared to the fourth quarter 2020, due to business development and targeted initiatives. The jaws effect was very positive (+3.1 points). The cost of risk[4] stood at 28 million euros (61 million euros in 2020). As a result, pre-tax income of the five businesses, after allocating one third of Private Banking's domestic net income in Luxembourg to Wealth Management (International Financial Services division), came to 450 million euros, up very sharply by 30.3% compared to the fourth quarter 2020.

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[1] Average fleet in thousands of vehicles

[2] At constant scope and exchange rates

[3] Since inception, in France

[4] Including 100% of Private Banking in Luxembourg

INTERNATIONAL FINANCIAL SERVICES

For the whole of 2021, the International Financial Services division's business activity is at a good level. Personal Finance achieved a +11.5% increase in production compared to 2020, driven by the evolution in the public-health situation. Personal Finance maintained a sustained pace in developing partnerships. Within international networks[1], momentum in loan production was very good, and the development in fees is robust. Momentum at Wealth and Asset Management and Insurance businesses was very good. Net asset inflows were very strong (58.5 billion euros in 2021), and assets under management rose by 9.1% compared to 31 December 2020, on the back of favourable market trends and good management performances. Insurance activity was very strong, and Real Estate Services continued to rebound.

On 20 December 2021, the Group announced the sale of Bank of the West to BMO Financial Group, with a closing of the transaction expected late 2022[2].

IFS' revenues, at 15,751 million euros, decreased by 1.2% compared to 2020 at historical scope and exchange rates and increased by 1.7% at constant scope and exchange rates. The division was driven by growth in all asset-gathering businesses and Insurance. The context was, on the whole, less favourable for international retail networks[1] and Personal Finance.

Operating expenses, at 10,231 million euros, rose by 1.1% at historical scope and exchange rates and by 4.2% at constant scope and exchange rates, driven by activity growth and targeted initiatives.

Gross operating income thus came to 5,519 million euros, down by 5.2% compared to 2020.

The cost of risk, at 1,427 million euros, improved strongly, by 1,348 million euros from a high basis in 2020.

Pre-tax income at International Financial Services thus came to 4,620 million euros, up sharply by 35.0% compared to 2020 at historical scope and exchange rates and by 37.6% at constant scope and exchange rates.

In the fourth quarter 2021, revenues, at 3,952 million euros, increased by 1.9% at constant scope and exchange rates (+0.9% at historical scope and exchange rates) compared to the fourth quarter 2020. They were driven by the very good performance of Wealth and Asset Management businesses and the growth at BancWest, which were offset by a less favourable context at Personal Finance and Europe-Mediterranean. Driven by activity growth and targeted initiatives, operating expenses, at 2,700 million euros, increased by 6.9% at constant scope and exchange rates (+5.7% at historical scope and exchange rates). Gross operating income, at 1,252 million euros, decreased by 8.0% compared to the fourth quarter 2020. The cost of risk came to 353 million euros, a strong improvement of 325 million euros compared to the fourth quarter 2020. IFS's pre-tax income thus came to 1,022 million euros, up very sharply by 34.6% compared to the fourth quarter 2020 at historical scope and exchange rates and by 41.8% at constant scope and exchange rates.

[1] Europe-Mediterranean and BancWest

[2] Subject to the usual suspensive conditions, including approval by the relevant regulatory and antitrust authorities; see press release of 20 December 2021

Personal Finance

For the whole of 2021, Personal Finance's business drive is sustained. Loan production rose, on the back of the improvement in the public health situation (+11.5% compared to 2020), resulting in an increase in end of period loans outstanding (+0.9% compared to 2020). Average loans outstanding nevertheless decreased by 1.0% compared to 2020, due to lower production during the public health crisis.

Personal Finance revenues, at 5,216 million euros, decreased by 4.9% compared to 2020, due in particular to the impact of negative non-recurring items in the second half of 2021, which was partially offset by the increase in production.

Operating expenses, at 2,817 million euros, increased by 2.2% compared to 2020, due to investments and business development, which were partly offset by the improvement in operating efficiency.

Gross operating income thus came to 2,399 million euros, down by 12.1% compared to 2020.

A 1,314 million euros, the cost of risk decreased by 683 million euros compared to 2020, which had reflected the impact of provisions on performing loans (stages 1 and 2) and of the new definition of default as of the fourth quarter 2020. At 141 basis points of customer loans outstanding, it was at a low level.

Personal Finance's pre-tax income thus came to 1,163 million euros, up sharply by 73.1% compared to 2020, thanks to the decrease in the cost of risk and the significant contribution of associates.

In the fourth quarter 2021, Personal Finance revenues, at 1,294 million euros, decreased by 5.2% compared to the fourth quarter 2020 (-5.4% at constant scope and exchange rates), despite the recovery in production, mainly due to the impact of a negative non-recurring items. Operating expenses, at 710 million euros, increased by 3.4% compared to the fourth quarter 2020 (3.4% at constant scope and exchange rates), due in particular to the upturn in business activity and the launch of new strategic partnerships. Gross operating income thus decreased by 13.8% compared to the fourth quarter 2020, to 584 million euros. The cost of risk, at 346 million euros, improved by 235 million euros compared to the fourth quarter 2020. Driven by the strong decrease in the cost of risk and a significant contribution from associates and other non-operating items, Personal Finance's pre-tax income thus came to 258 million euros, up very sharply compared to the fourth quarter 2020 (33 million euros).

Europe-Mediterranean

For the whole of 2021, Europe-Mediterranean confirmed a good business momentum. Loans outstanding rose by 4.9%[1] compared to 2020. During 2021, loan production accelerated in all countries and in both individual and corporate lending (+24.1%[2] compared to 2020). Deposits increased by 7.5%[1], compared to 2020 and rose in all regions. The number of digital customers increased by 16.5% compared to 2020, at 4.3 million.

Europe-Mediterranean revenues[3], at 1,941 million euros, decreased by 6.3%[1] compared to 2020 and were stable when excluding the impact of a non-recurring item in Poland in the fourth quarter 2021. Fees rose (+13.8%[1] compared to 2020) throughout the year, exceeding their 2019 level in the fourth quarter 2021.

Operating expenses[3], at 1,604 million euros, increased by 5.3%[1] compared to 2020, due to high wage drift and targeted initiatives.

A 144 million euros, the cost of risk[3] decreased strongly, by 292 million euros compared to 2020. The cost of risk stood at 39 basis points of customer loans outstanding.

As a result, after allocating one third of Private Banking's net income in Turkey and Poland to Wealth Management, Europe-Mediterranean thus achieved pre-tax income of 366 million euros, up by 12.4%[1] compared to 2020.

In the fourth quarter 2021, Europe-Mediterranean revenues[3], at 449 million euros, decreased by 3.1%[1] compared to the fourth quarter 2020, due to the impact of a non-recurring item in Poland. When excluding this impact, it rose sharply, thanks mainly to good underlying momentum, driven by the increase in net interest income and growth in fees. Operating expenses[3], at 395 million euros, rose by 10.1%[1] compared to the fourth quarter 2020, due to high wage drift and targeted initiatives. The cost of risk[3] fell to 32 million euros in the fourth quarter 2021, vs. 95 million euros in the fourth quarter 2020, reflecting moderate releases of provisions on performing loans (stages 1 & 2). It stood at 34 basis points of customer loans outstanding. As a result, after allocating one third of Private Banking's net income in Turkey and Poland to Wealth Management, Europe-Mediterranean achieved pre-tax income of 63 million euros, up by 22.9%[1] in the fourth quarter 2020, driven by the strong decrease in the cost of risk.

BancWest

For the whole of 2021, BancWest's business drive was sustained and results increased strongly. Loan production[4] rose (+8.9%[1] compared to 2020), with in particular a very strong momentum in individual loans (+30.3%[1] compared to 2020) and small and mid-sized business loans (+5.5%[1] compared to 2020). Loans outstanding nevertheless decreased by 6.9%[1], due to the impact of economic stimulus measures and the discontinuation of a business in 2020. Deposits rose by 10.0%[1] compared to 2020 with a strong increase in customer deposits[5] (+10.5%[1] compared to 2020). Assets under management in private banking stood at 19.5 billion dollars as at 31 December 2021, a 16.3%[1] increase compared to 31 December 2020. The quality of service at Bank of the West was acknowledged in surveys conducted by JD Power in 2021 which ranked it first in satisfaction among individual customers and small and mid-sized companies in California.

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[1] At constant scope and exchange rates

[2] At constant exchange rates, including loans to individuals and corporates in Turkey, Poland, Ukraine and Morocco

[3] Including 100% of Private Banking in Turkey and Poland

[4] Scope: Production of loans to individuals, production and flows on SMEs and corporates excluding Paycheck Protection Program loans

[5] Deposits excluding treasury activities

Revenues[1], at 2,426 million euros, increased by 2.1%[2] compared to 2020, driven by the increase in fees. Net interest income was stable. The impact of non-recurring items was positive overall.

Operating expenses[1] rose by 1.9%[2], at 1,695 million euros, in connection with business activity. The jaws effect was positive (+0.3 point).

Gross operating income[1], at 731 million euros, increased by 2.8%[2] compared to 2020.

With a write-back of 45 million euros, the cost of risk[1] strongly improved by 368 million euros compared to 2020 with releases of provisions on performing loans (stages 1 and 2) and low provisions on non-performing loans. It thus stood at a negative 9 basis points of customer loans outstanding.

Hence, after allocating one third of Private Banking's net income in the United States to Wealth Management, BancWest achieved pre-tax income of 771 million euros, a doubling[2] of 2020 levels.

In the fourth quarter 2021, revenues[1], at 626 million euros, increased by 1.0%[2] compared to the fourth quarter 2020, driven by a strong increase in fees, offset partly by the decrease in net interest income. Operating expenses[1], at 457 million euros, rose by 3.6%[2] compared to the fourth quarter 2020, in connection with business activity and targeted initiatives. Gross operating income[1] thus came to 169 million euros, down by 5.3%[2] compared to the fourth quarter 2020. With a write-back of 24 million euros, the cost of risk[1] improved strongly compared to the fourth quarter 2020 (provisions of 3 million euros) due to releases of provisions on performing loans (stages 1 and 2) and a low level of provisions on non-performing loans (stage 3). As a result, after allocating one third of Private Banking's net income in the United States to Wealth Management, BancWest achieved pre-tax income of 192 million euros in the fourth quarter 2020, or a 13.4% increase[2].

Insurance and Wealth and Asset Management

As at 31 December 2021, assets under management[3] stood at 1,271 billion euros. They rose by 9.1% compared to 31 December 2020, mainly due to a favourable market performance impact of 59.4 billion euros and good management performances. They also benefited from a favourable exchange rate impact of 15.9 billion euros. The scope impact was negative (-27.8 billion euros), due in particular to the first quarter 2021 sale of a BNP Paribas Asset Management stake. The very good level of net asset inflows (58.5 billion euros in 2021) was driven by all businesses, particularly Wealth Management in Europe, especially in Germany, France and Italy, as well as in Asia; by very strong net asset inflows in Asset Management into the medium- and long-term vehicles, particularly in thematic funds; by a strong rebound of net asset inflows in money-market vehicles in the fourth quarter 2021; and by very good net asset inflows in Insurance, in particular in France, Italy and Luxembourg, especially in unit-linked products.

As at 31 December 2021, assets under management[3] were split as follows: 567 billion euros at Asset Management (including 30 billion euros at Real Estate Investment Management), 422 billion euros at Wealth Management and 282 billion euros at Insurance.

For the whole of 2021, business drive was strong at Insurance. Thanks to the diversification of the model, its business activity continues to pick-up. The performance in Savings was sustained both in France and internationally, particularly in Italy and Luxembourg, with gross asset inflows up sharply (+42.2% compared

[1] Including 100% of Private Banking in the United States

[2] At constant scope and exchange rates

[3] Including distributed assets

to 2020) and the vast majority of net asset flows in unit-linked products. Protection continued to increase in France as well as internationally, in particular in Latin America and Asia. Insurance also continued to develop partnerships, renewing in 2022 a global long-term agreement with Volkswagen Financial Services to provide insurance products in 16 countries.

Insurance revenues, at 2,827 million euros, increased by 3.7% compared to 2020, thanks to sustained growth in Savings and good momentum in Protection, despite the impact of claims. Operating expenses, at 1,536 million euros, increased by 5.0% compared to 2020, driven by business activity and targeted projects. At 1,368 million euros, pre-tax income decreased by 1.0% compared to 2020.

For the whole of 2021, performances were very good at Wealth and Asset Management businesses. Wealth Management improved with very good net asset inflows that were higher than in 2020. Financial fees rose with the increase in outstandings and transaction volumes. Asset Management activity was very robust, with very strong net asset inflows (+34.7 billion euros), mainly in medium- and long-term vehicles. Real Estate Services continues to recover, in particular with a marked rebound in Advisory in France, the United Kingdom and Germany.

At 3,422 million euros, Wealth and Asset Management revenues increased by 14.7% compared to 2020 and were up in all businesses. They were driven by growth in fees as well as revenues related to loan activity in Wealth Management, the very strong increase in Asset Management revenues on the back of strong net asset inflows and performance effect, and rose sharply in Real Estate Services, particularly in Advisory. At 2,628 million euros, operating expenses rose by 4.7% compared to 2020, due to higher volumes in all businesses. The jaws effect was positive in all businesses, and very positive in particular at Asset Management and Real Estate Services (+10.1 points overall). Wealth and Asset Management's pre-tax income, after receiving one third of the net income of private banking in domestic markets in Turkey, Poland and the United States, came to 951 million euros. It was up sharply, by 63.1% compared to 2020, driven by the strong increase in all businesses, in particular Asset Management and Real Estate Services.

In the fourth quarter 2021, Insurance's revenues increased by 5.4% compared to the fourth quarter 2020 to 655 million euros, driven by the good performance of Protection, offset by the impact of higher claims, in particular in France, the high-level contribution of Savings, and the favourable impact from the financial result. Operating expenses increased by 6.6% compared to the fourth quarter 2020, to 410 million euros, driven by the rebound in activity and targeted projects. Insurance's pre-tax income increased by 7.3% compared to the fourth quarter 2020, to 272 million euros.

At 949 million euros, Wealth and Asset Management's revenues rose sharply by 14.8% compared to the fourth quarter 2020. This included a strong increase at Asset Management, driven by very strong net asset inflows and the performance effect; an increase in Wealth Management revenues due to increase in assets under management and good marketing performances; and the ongoing rebound at Real Estate Services compared to a low base in the fourth quarter 2020, with a strong increase at Advisory, particularly in France and Germany. Operating expenses rose by 10.8% compared to the fourth quarter 2020 to 741 million euros. The jaws effect was very positive at Asset Management and Real Estate Services and overall (+4.1 points). Pre-tax income at Wealth and Asset Management, after receiving one third of the net income of private banking in domestic markets in Turkey, in Poland and the United States, thus came to 237 million euros, up by 1.6% compared to the fourth quarter 2020, which had reflected the positive impact of a non-recurring item in Asset Management.

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

For the whole of 2021, CIB achieved a very strong activity in all client segments. In 2021 CIB ranked n°3 in EMEA and was the first European CIB[1].

In its financing businesses, the total volume of BNP Paribas-led transactions was higher than in 2020, driven mainly by equity issuance[2]. Clients' activity normalised on the currency, bond and rate markets after the exceptional 2020 market circumstances. Clients' activity was strong on the equity markets and in prime services. And Securities Services achieved a steady expansion in assets with a high level of transaction volumes throughout 2021.

CIB closed two strategic deals in 2021 – fully consolidating Exane, effective 1 July 2021; and completing on schedule the transfers of systems, clients and key staff from Deutsche Bank's prime brokerage and electronic execution systems.

CIB achieved a robust performance, thanks to its diversification. CIB revenues thus rose by 3.4% (+4.1% at constant scope and exchange rates) compared to the high 2020 base and rose strongly, by 17.8% compared to 2019.

Corporate Banking revenues rose by 7.6% compared to 2020 and rose sharply, by 18.0% compared to 2019. Revenues rose in all regions, driven by a strong increase in the contribution of the Capital Markets platform (+9.6% compared to 2020) and the sustained increase in trade finance and cash management (+10.6% compared to 2020). Volumes were driven up by a 2.8% increase in financing raised for clients worldwide on the credit, bond and equity markets compared to 2020[2] to more than 410 billion euros. Loans outstanding have risen steadily since the late 2020 through and stood at 161 billion euros in the fourth quarter 2021, a 9.2% increase compared to the fourth quarter 2020. After the third quarter 2020 spike caused by the public health crisis, deposits are gradually returning to normal, reaching 185 billion euros in the fourth quarter 2021, 1.5% lower than in the fourth quarter 2020.

Backed by the diversification of its franchises, Global Markets' revenues, were stable at 6,820 million euros, compared to the very high base of 2020 and rose sharply by 22.4% compared to 2019. They were driven in particular by sustained client activity on the equity markets, with continued strong activity in derivatives, structured products in particular, and growth in prime brokerage. The context was more challenging on the rates and currency markets but remained good in commodities. The level of BNP Paribas-led bond issuance worldwide was good. VaR (1 day, 99%), a measure of market risks, came to 32 million euros, back to its level preceding the spikes of volatility triggered by the public health crisis in 2020, with a slight increase in commodities.

FICC[3] revenues normalised at a good level compared to a very high 2020 base, in particular on rates and in a more challenging environment in the fourth quarter 2021. At 3,947 million euros, they decreased by 30.2% compared to 2020, but rose sharply, by 10.8%, compared to 2019.

Equity & Prime Services revenues rose by 2.5-fold compared to 2020, to 2,872 million euros. They rose by 43.1% compared to 2019. They were driven by strong growth in equity derivatives, a good contribution of about 190 million euros by BNP Paribas Exane in the second half of 2021 and very good momentum in prime brokerage.

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1 Source: Coalition Greenwich Competitor Analytics. Ranking includes the banks of the Coalition index. EMEA: Europe, Middle East and Africa

2 Source: Dealogic as at 30.12.21, bookrunner in volume, apportioned amounts

3 Fixed Income, Currencies, and Commodities

Securities Services revenues rose by 5.1% compared to 2020, driven by the platform's strong and steady growth. With the onboarding of new clients, and, in particular, a very significant mandate (more than 400 billion euros in assets) in the euro zone, volumes rose to record levels, with a 15.9% increase in average assets compared to 2020. Transaction volumes rose sharply, by 10.4% compared to 2020. Securities Services continued to expand throughout 2021, including the closing of the acquisition of Banco Sabadell's depositary bank business (21 billion euros in assets) in the second quarter 2021.

CIB's operating expenses, at 9,400 million euros, rose by 5.4% compared to 2020 (+4.0% at constant scope and exchange rates), related to the development of activity, targeted investments and the impact of taxes subject to IFRIC 21 (+ 95 million euros compared to 2020).

At 4,836 million euros in 2021, CIB's gross operating income was almost stable compared to 2020 (-0.1% compared to 2020).

At 173 million euros, CIB's cost of risk was very low. It improved by 1,252 million euros compared to 2020, with a provision of 201 million euros at Corporate Banking (or 13 basis points of customer loans outstanding) on the back of a limited number of new defaults and some releases of provisions on performing loans (stages 1 and 2), and a write-back of 27 million euros at Global Markets.

CIB thus achieved pre-tax income of 4,721 million euros, up very sharply by 36.7% compared to 2020.

In the fourth quarter 2021, CIB revenues, at 3,264 million euros, decreased by 1.5% compared to the high fourth quarter 2020 base and increased by 5.3% compared to the fourth quarter 2019. Revenues were driven by strong gains in Corporate Banking (+3.3% compared to the fourth quarter 2020) and a steep increase at Securities Services (+12.3% compared to the fourth quarter 2020). Global Markets' revenues decreased by 10.7% compared to the high fourth quarter 2020 base and were stable compared to the fourth quarter 2019, driven by diversification of businesses and development of the Equity & Prime Services platform.

Corporate Banking's revenues, at 1,324 million euros, increased by 3.3% compared to the fourth quarter 2020 and by 9.4% compared to the fourth quarter 2019 and rose in all regions, driven by growth in the Capital Markets platform in EMEA on a high fourth quarter 2020 base and the ongoing recovery in transaction businesses (cash management and trade finance).

At 1,338 million euros, Global Markets' revenues decreased by 10.7% compared to the high fourth quarter 2020 base and were almost unchanged compared to the fourth quarter 2019 (-0,1%). FICC[1] revenues, at 755 million euros, decreased by 24.6% from the high fourth quarter 2020 base, in a challenging market, particularly in rates. Equity & Prime Services revenues increased by 17.4% compared to the fourth quarter 2020, also including the contribution of the integration of BNP Paribas Exane (close to 95 million euros) and a strong momentum in prime services but lower client activity in equity derivatives this quarter.

Securities Services revenues, at 602 million euros, rose sharply by 12.3% compared to the fourth quarter 2020, driven by an increase in assets, the full impact of recent large mandates, and the steep rise in transaction volumes.

CIB's operating expenses, at 2,348 million euros, rose by 7.2% compared to the fourth quarter 2020, due in particular to the development of platforms (consolidation of Exane and completion of the transfer of prime brokerage clients in the fourth quarter 2021). They were stable at constant scope and exchange rates.

[1] Fixed Income, Currencies, and Commodities

As a result, CIB's gross operating income decreased by 18.6% compared to the fourth quarter 2020, to 915 million euros.

With a write-back of 80 million euros this quarter, CIB's cost of risk improved by 512 million euros compared to the fourth quarter 2020, mainly due to releases of provisions on performing loans (stages 1 and 2) and a very low cost of risk on non-performing loans (stage 3).

CIB thus achieved pre-tax income of 1,003 million euros, up very sharply by 41.3% compared to the fourth quarter 2020.

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CORPORATE CENTRE

Corporate Centre's revenues came to 512 million euros compared to -358 million euros in 2020, which had reflected the -104 million euro accounting impact of a swap set up for the transfer of an activity and the -39 million euro impact of the revaluation of proprietary credit risk included in derivatives. In 2021, Corporate Centre revenues were driven by the very strong improvement at Principal Investments, which rebounded from its 2020 level, by the 58 million euro capital gain realised on the sale of a 4.99% stake in SBI Life and by the cumulative 86 million euro accounting impact of a swap[1] set up for the transfer of an activity.

Corporate Centre's operating expenses came to 1,007 million euros in 2021, 890 million euros in 2020, reflecting an increase in 2021 in taxes subject to IFRIC 21. They reflected the exceptional impact of 164 million euros in restructuring costs[2] and cost-adaptation costs[3] (211 million euros in 2020) and 128 million euros in IT reinforcement costs (178 million euros in 2020). In 2020, they also reflected the exceptional impact of 132 million euros in donations and staff-safety measures related to the public health crisis.

The cost of risk was 153 million euros, 72 million euros in 2020.

Other non-operating items came to 775 million euros in 2021, 939 million euros in 2020. They reflected the exceptional +486 million euro impact of capital gains on building sales (+699 million euros in 2020), the exceptional +444 million euro[4] impact of capital gains on the sale of Allfunds shares (+371 million euros in 2020), and the negative impact of depreciations for a total of 74 million euros. In 2020 they had included goodwill impairments (-130 million euros).

Pre-tax income of Corporate Centre thus came to 144 million euros, vs. -327 million euros in 2020.

<u>In the fourth quarter 2021</u>, Corporate Centre's revenues came to 24 million euros, vs. -241 million euros in the fourth quarter 2020, which had reflected the -104 million euro accounting impact of a swap set up for the transfer of an activity and the -39 million euro impact of the revaluation or proprietary risk included in derivatives. Corporate Centre's fourth quarter 2021 revenues reflected the lower contribution from Principal Investments and the impact of a positive non-recurring item of 91 million euros. Corporate Centre's operating expenses came to 271 million euros (283 million euros in the fourth quarter 2021). They included a 61 million euro exceptional impact of restructuring costs[2] and adaptation costs[5] and 21 million euros in IT

[1] Expired with the finalisation of the opération

[2] Restructuring costs related in particular to the discontinuation or restructuring of certain businesses (in particular at CIB)

[3] Related in particular to Wealth Management, BancWest and CIB

[4] Disposal of 8.69% stake in Allfunds, BNP Paribas still holds a 13.81% stake in Allfunds

[5] Related in particular to BancWest and CIB

reinforcement costs. In the fourth quarter 2020, they had reflected the 24 million euro exceptional impact of donations and staff-safety measures related to the public health crisis. Other non-operating items came to 247 million euros in the fourth quarter 2021, 421 million euros in the fourth quarter 2020. They included 184 million euros in capital gains on building sales (193 million euros in the fourth quarter 2020) and the positive 75 million euro effect of write backs on depreciations (-130 million euros in the fourth quarter 2020). In the fourth quarter 2020, they had reflected the exceptional impact of the 371 million euro capital gain related to Allfunds. Corporate Centre's pre-tax income thus came to 11 million euros vs. -129 million euros in the fourth quarter 2020.

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FINANCIAL STRUCTURE

The Group has a solid financial structure.

The Common Equity Tier 1 ratio stood at 12.9%[1] as at 31 December 2021, up by 10 basis points compared to 31 December 2020, mainly due to the placing of the 2021 net income into reserve after taking into account a 50% pay-out ratio and the impact of the execution of the 900 million euro share buyback programme in the fourth quarter 2021 (+50 basis points), the increase in risk weighted assets at constant scope and exchange rates[2] (-25 basis points), and other impacts on the ratio, in particular due to the tapering of regulatory amendments related to the public health crisis[3] (-15 basis points).

The leverage ratio[4] stood at 4.1% as at 31 December 2021.

The Group's immediately available liquidity reserve totalled 452 billion euros, equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

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2022-2025 Strategic Plan
Growth, Technology & Sustainability 2025

The BNP Paribas Group has built up a model, integrated and diversified, that has proven its performance in all environments. It endows the Group with a clear competitive advantage and a unique positioning.

BNP Paribas has built up leading positions, in particular in Europe, with solid client franchises and powerful platforms, which are strategically aligned to better serve clients and partners over the long term.

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[1] CRD4; including IFRS9 transitional arrangement

[2] Including impacts related to the updating of models and regulation

[3] IFRS9 transitional provisions and PVA aggregation factor (-10 bps)

[4] Calculated in accordance with Regulation (EU) 2019/876, without opting for the temporary exclusion related to deposits with Eurosystem central banks authorised by the ECB decision of 18 June 2021

BNP Paribas relies on leading platforms, notably in Europe: in flow businesses (cash management, trade finance and factoring); in capital market businesses; in specialized businesses for instance in full-service leasing with Arval, or in sustainable investment management. These fully integrated platforms provide the ability to serve clients in a comprehensive and unique way in Europe and internationally and hence to develop strong client franchises, in particular in the corporate, institutional, private banking and affluent segments.

This approach, global and complete, thus enables to build up strong relationships with clients, accompanying their development throughout economic cycles, creating multiple and diversified growth opportunities. It also provides stronger earnings stability in all environments, and ensures growth at marginal cost.

This distinctive model translates in an organisation based on three solid pillars, fully integrated focussing on the needs of clients and partners: Corporate & Institutional Banking (CIB); Commercial & Personal Banking and Services (CPBS), which encompasses all the Group's Commercial and personal banking[1] as well as specialised businesses[2] such as BNP Paribas Personal Finance or Arval; and Investment & Protection Services (IPS), which brings together Wealth and Asset Management businesses[3] and Insurance.

This model has proven its ability to grow as well as the strength of its integration. The balance of the Group in terms of P&L is maintained with Corporate & Institutional Banking representing 35% of operating income in 2021, Commercial and Personal banking, 29% of operating income in 2021, and the specialised businesses of CPBS and IPS (36% of operating income in 2021).

As a result, despite an unfavourable environment, multiple headwinds and the shock of the public health crisis in 2020 and 2021, the Group in 2021 achieved or even exceeded the main objectives it laid out in its 2017-2020 Development Plan with a one-year shift only: a Common Equity Tier 1 ratio of 12.9%; a return on tangible equity[4] of 10.0% calculated on the basis (vs. an objective of 10.0% based on a targeted CET1 ratio of 12.0%) and a pay-out ratio of 60% as of 2021[5].

Leveraging on the strengths of its platforms and favourably positioned client franchises with the full benefit of its integrated and transformed operating model, the Group is ideally placed to deliver profitable growth, while making technology and industrialisation a hallmark of its development, scaling up sustainable finance and social and environmental responsibility as well as developing its employees' potential and engagement.

Accordingly, and building on the strength of its model, the Group shall maintain a disciplined organic growth while gaining market share at marginal cost, thus generating new growth opportunities and substantial economies of scale.

BNP Paribas thus reaffirms the importance and relevance of the pillars that have structured its development and its value creation model, with the objective of ensuring that growth in revenues outstrips growth in operating expenses and growth in risk-weighted assets[6], along with a ROTE[7] above the cost of capital in 2025.

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[1] Commercial & Personal Banking in France (previously French Retail Banking), Commercial Banking in Belgium (previously Belgian Retail Banking), BNL banca commerciale, Commercial Banking in Luxembourg (previously Luxembourg Retail Banking), Europe-Mediterranean and BancWest

[2] Arval & Leasing Solutions, BNP Paribas Personal Finance, New Digital Businesses (including Nickel) and Personal Investors

[3] Wealth Management, Asset Management, Real Estate and Principal Investments.

[4] Return on tangible equity, non-revaluated

[5] Including the share buyback executed in 4Q21 and subject to the approval of the General Meeting of 17 May 2022

[6] Calculated in accordance with CRR2

[7] Return on tangible equity with the full impact of the finalisation of Basel 3 (CRR3)

Based on conservative macroeconomic assumptions, the Group expects to continue benefiting from its distinctive model amidst an economic recovery with still short-term pressures. On average, the Group's objective is revenue growth of more than 3.5% annually with positive jaws effects of more than 2 points[1] on average.

The plan takes into account the achievement of the ramp-up of the Single Resolution Fund in 2023. It nonetheless includes an assumption of a stabilization of similar contributions to local levies at 200 million euros annually from 2024 on.

The Group is thus targeting an average annual growth in net income of more than 7% throughout the period, thus raising its ROTE to more than 11%, while maintaining a target CET1 ratio of 12% in 2025, including the full impact of the Basel 3 finalisation (CRR3).

In addition, the Group will benefit from a Common Equity Tier 1 ratio that, at the start of the plan, came to 12.9%[2], a level that, in itself, would be sufficient to absorb the full impact of regulatory constraints arising from the finalisation of Basel 3 (CRR3), estimated by the Group at 8% of risk-weighted assets in 2025.

The Group's financial solidity as the plan begins, along with the increase in ROTE should allow the Group to fuel profitable and balanced growth of the Group's businesses, while raising the pay-out ratio to 60%, including a minimum cash pay-out of 50%[3].

The evolution objectives presented continue to apply on the Group perimeter without Bank of the West's contribution. However, they do not reflect the positive impact that is expected to result from the progressive redeployment of the capital which shall be released by the sale of Bank of the West[4].

The Group anticipates that the gradual and disciplined redeployment of the remaining proceeds, after the offsetting of the expected dilution of the earnings per share by a share buyback program, should result in an additional increase of more than 5% in earnings per share by 2025, given the diversification of the Group.

Technology and industrialisation at the heart of our model

The Group has implemented a transformation plan in all its businesses, aiming to establish a new customer and employee experience, to accelerate digitalisation, and to improve operational efficiency. The successful 2017-2020 plan resulted in a decrease of the cost-income ratio by more than 2 points between 2017 and 2021 and recurring cost savings of almost 3.1 billion euros (vs. an initial objective of 2.7 billion euros).

Industrialisation of processes combined with strong digitalisation of customer interactions, (digital interactions tripled at Domestic Markets between 2017 and 2021), a gradual deployment of smart sourcing with now more than 18 000 employees in shared service centres, an intense use of artificial intelligence, with more than half of use cases dedicated to operating efficiency in 2021, have been key levers contributing structurally to the Group's operational efficiency and enhancing customer and employee experience.

Technology and industrialisation will continue to serve as the foundation of the Group's model, increasing its operational efficiency, enhancing customer efficiency and ability to better serve clients and partners.

[1] 2021-2025 CAGR of revenues less 2021-2025 CAGR of operating expenses

[2] As at 31 December 2021

[3] Subject to the approval of the General Meeting

[4] As at 17 December 2021; see 20 December 2021 press release

Six levers will contribute to delivering positive jaws effects throughout the period of the plan. These are: intensive use of artificial intelligence, data and robotics; a strong deployment of a secured use of cloud technologies; a broad *APIsation* of the IT system; the use of smart sourcing and the roll-out of pooled service centres; an amplification of the "make/buy/share" strategy; and an accelerated convergence of European technological platforms.

These initiatives, implemented by all divisions, will sustain the ability of the Group to deliver an average positive jaws effect[1] of more than 2 points and an improvement in the cost/income ratio of all divisions. They will also sustain the creation of enough manoeuvring room to self-fund the transformation of activities and investments tied to business lines. An annual budget of 400 million euros, unchanged vs. 2020 and 2021, will be maintained to fund costs related to the reinforcement of the Group's IT system as well as restructuration and adaptation costs. These costs will be offset by capital gains.

Scaling up sustainable finance and social and environmental responsibility

The Group will be guided by three major strategic paths in accelerating its commitments to sustainable finance and social and environmental responsibility, along with the five priority areas aligned with the customer objectives and the United Nations' Sustainable Development Goals –savings, investments and sustainable financing; transition towards carbon neutrality; circular economy; natural capital & biodiversity; and combatting exclusion.

It will undertake an alignment of portfolios to achieve carbon-neutrality objectives while laying out a CO2 emissions reduction trajectory corresponding to financing of the sectors with the highest levels of emissions and aligning business lines with shared objectives taking into account client transitions.

The integrated model and all businesses will be fully mobilised and committed to supporting clients in the transition towards a sustainable and low-carbon economy through, in particular, the Low Carbon Transition Group, an organisation of 250 professionals dedicated to support clients in accelerating their transition.

Lastly, the Group will strengthen its processes and steering tools to support evolving needs and standards, and will strengthen its governance.

Hence, the Group aims to mobilise 350 billion euros by 2025 through loans and bond issues covering environmental and social topics[2], as well as to reach 300 billion in sustainable and responsible investments by 2025[3].

Development strategies individualised by division

On the back of performing and nimble bank and services, trusted companions, for & beyond Banking, **Commercial, Personal Banking and Services (CPBS)**[4] will further improve the recommendation from customers and employees, simplify and broaden its offering of products and services through an industrialised and resilient operating model combined with client relationships supported by a new balance between human and digital.

[1] 2021-2025 CAGR of revenues minus 2021-2025 CAGR of operating fees

[2] Corporate, institutional and individual loans tied to environmental and social issues and annual sustainable bonds issuances

[3] BNP Paribas Asset management European open funds classified open articles 8 and 9 as defined by SFDR

[4] Including Bank of the West and 100% of Private Banking at the entities of commercial banks in the euro zone, Europe-Mediterranean and the United States

CPBS[3] will strengthen its leadership in Europe in corporate and private banking and accelerate the profitable growth of its specialised businesses at marginal cost. As retail banking activities are still facing headwinds, the division will undertake a strategic repositioning through more intense segmentation and changes in operating models.

CPBS[3] is targeting average annual revenue growth of around 5% over the period 2022 to 2025, an average positive jaws effect of around 3 points and an improvement in its return on equity of more than 3.5 points compared to 2021[1].

Investment & Protection Services (IPS) aims to become a reference European player in protection, savings and sustainable investments by strengthening its offering of products and services and its distribution network and by consolidating its leadership in social and environmental responsibility with the full backing of businesses that are digital, efficient and tech-savvy.

IPS will rely on three strategic pillars to foster growth, fortify its positions and capture new growth opportunities: the acceleration of development of financial savings, the roll-out of a transversal franchise in private assets, and the strengthening of its leadership in sustainable financing. It will built up on four key levers making the most of the integrated model, moving to the next level on digitalisation, data and artificial intelligence, deploying new ways of working while optimizing the operating model.

IPS is thus targeting average annual revenue growth of close to 4.5% per year over the period 2022 to 2025, an average positive jaws effect of around 1.5 point and an improvement in its return on equity of more than 6.5 points compared to 2021[2].

With the ambition of being the Europe-based partner of corporate and institutional clients on the long term, **Corporate & Institutional Banking (CIB)** will pursue a strategy that is more relevant than ever, with the goal of becoming the first Europe-based CIB among global players while consolidating its Top 3 position in EMEA[3]. CIB will build on the strength of BNP Paribas' integrated model, technological platforms and sustainability leadership strengthening its capacity to connect the needs of corporate and institutional clients, while continuing to win market share in a consolidating sector.

CIB will continue to build on its core assets, supporting clients in their transition towards a sustainable and low-carbon economy and moving technological platforms to the next level to serve clients. It will pursue and deepen on key structural levers with the full backing of the integrated model and enhance its operating model and efficiency. Lastly, CIB will step up with key transforming initiatives in particular the development of a solid equity franchise and the acceleration of interregional dynamics.

CIB will unlock the full potential of its distinctive, sustainable and integrated model, with above-market growth in its revenues. CIB targets average annual revenue growth of around 3% over the period 2022 to 2025, an average positive jaws effect of close to 2 points and an improvement in its return on notional equity of more than 3 points compared to 2021[4].

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[1] 2021-2025 CAGR of revenues minus 2021-2025 CAGR of operating fees; return on notional equity (RONE) calculated on the basis of allocated capital and in accordance with CRR2 (full impact)

[2] 2021-2025 CAGR of revenues minus 2021-2025 CAGR of operating fees; return on notional equity (RONE) calculated on the basis of allocated capital and in accordance with CRR2 (full impact)

[3] Europe, Middle-East, Africa

[4] 2021-2025 CAGR of revenues minus 2021-2025 CAGR of operating fees; return on notional equity (RONE) calculated on the basis of allocated capital and in accordance with CRR2 (full impact)

APPLICATION OF IFRS 5 – RECONCILIATION TABLES

On 20 December 2021, the Group announced the conclusion of an agreement with BMO Financial Group for the sale of 100% of its commercial banking activities in the United States operated by BancWest. The terms of this transaction fall within the scope of application of IFRS 5 relating to groups of assets and liabilities held for sale (see note 7.d Discontinued activities of the Consolidated Financial Statements as at 31.12.21) leading to the restatement of the year to 31 December 2020 to isolate the "Net income from discontinued activities" on a separate line.

Unless otherwise mentioned, the financial information and items contained in this announcement include the activity related to BancWest reflecting an operational view. Such financial information and items therefore do not reflect the effects produced by applying IFRS 5, which pertains to non-current assets and liabilities held for sale. The press release includes hereafter a reconciliation between the operational view presented without applying IFRS 5 and the consolidated financial statements based on an application of IFRS 5.

Consolidated profit and loss account for the year ended 31 December 2021 – Reconcilation table IFRS 5

BNP PARIBAS

BNP Paribas Profit and loss account - Year to 31 Dec. 2021

Application of IFRS 5 - Reconciliation table

In millions of euros	Year to 31 Dec. 2021 *before IFRS 5*	Year to 31 Dec. 2021 *IFRS 5 impact*	Year to 31 Dec. 2021 *according to IFRS 5*	Year to 31 Dec. 2020 *before IFRS 5*	Year to 31 Dec. 2020 *IFRS 5 impact*	Year to 31 Dec. 2020 *restated according to IFRS 5*
Net interest income	21,209	(1,971)	19,238	21,312	(2,026)	19,286
Net commission income	10,717	(355)	10,362	9,862	(283)	9,579
Net gain on financial instruments at fair value through profit or loss	7,681	(66)	7,615	6,861	(111)	6,750
Net gain on financial instruments at fair value through equity	181	(17)	164	249	(47)	202
Net gain on derecognised financial assets at amortised cost	36	(38)	(2)	36	-	36
Net income from insurance activities	4,332	-	4,332	4,114	-	4,114
Net income from other activities	2,079	(26)	2,053	1,841	(29)	1,812
Revenues	**46,235**	**(2,473)**	**43,762**	**44,275**	**(2,496)**	**41,779**
Salary and employee benefit expense	(17,377)	960	(16,417)	(16,946)	1,004	(15,942)
Other operating expenses	(11,234)	529	(10,705)	(10,809)	508	(10,301)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(2,500)	156	(2,344)	(2,439)	177	(2,262)
Gross operating income	**15,124**	**(828)**	**14,296**	**14,081**	**(807)**	**13,274**
Cost of risk	(2,925)	(46)	(2,971)	(5,717)	322	(5,395)
Operating income	**12,199**	**(874)**	**11,325**	**8,364**	**(485)**	**7,879**
Share of earnings of equity-method entities	494	-	494	423	-	423
Net gain on non-current assets	853	(19)	834	1,030	-	1,030
Goodwill	91	-	91	5	-	5
Pre-tax income	**13,637**	**(893)**	**12,744**	**9,822**	**(485)**	**9,337**
Corporate income tax	(3,757)	173	(3,584)	(2,407)	106	(2,301)
Net income from discontinued activities		**720**	**720**		**379**	**379**
Net income attributable to minority interests	392	-	392	348	-	348
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS	**9,488**	**-**	**9,488**	**7,067**	**-**	**7,067**

Balance sheet as at 31.12.2021 – Reconcilation table IFRS 5

In millions of euros	31 December 2021 *before IFRS 5*	IFRS 5 impact	31 December 2021 *according to IFRS 5*
ASSETS			
Cash and balances at central banks	362,537	(14,654)	347,883
Financial instruments at fair value through profit or loss			
Securities	192,135	(628)	191,507
Loans and repurchase agreements	249,841	(33)	249,808
Derivative financial Instruments	240,625	(202)	240,423
Derivatives used for hedging purposes	8,713	(33)	8,680
Financial assets at fair value through equity			
Debt securities	43,915	(5,009)	38,906
Equity securities	2,558		2,558
Financial assets at amortised cost			
Loans and advances to credit institutions	21,804	(53)	21,751
Loans and advances to customers	864,053	(50,053)	814,000
Debt securities	124,179	(15,669)	108,510
Remeasurement adjustment on interest-rate risk hedged portfolios	3,005		3,005
Financial investments of insurance activities	280,766		280,766
Current and deferred tax assets	6,101	(235)	5,866
Accrued income and other assets	180,623	(1,500)	179,123
Equity-method investments	6,528		6,528
Property, plant and equipment and investment property	35,511	(428)	35,083
Intangible assets	3,896	(237)	3,659
Goodwill	7,654	(2,533)	5,121
Assets held for sale		91,267	91,267
TOTAL ASSETS	**2,634,444**	**-**	**2,634,444**
LIABILITIES			
Deposits from central banks	1,244		1,244
Financial instruments at fair value through profi t or loss			
Securities	112,338		112,338
Deposits and repurchase agreements	293,456		293,456
Issued debt securities	70,383		70,383
Derivative financial instruments	237,675	(278)	237,397
Derivatives used for hedging purposes	10,134	(58)	10,076
Financial liabilities at amortised cost			
Deposits from credit institutions	165,843	(144)	165,699
Deposits from customers	1,030,323	(72,639)	957,684
Debt securities	149,981	(258)	149,723
Subordinated debt	24,720		24,720
Remeasurement adjustment on interest-rate risk hedged portfolios	1,367		1,367
Current and deferred tax liabilities	3,133	(30)	3,103
Accrued expenses and other liabilities	146,189	(790)	145,399
Technical reserves and other insurance liabilities	254,795		254,795
Provisions for contingencies and charges	10,356	(169)	10,187
Liabilities associated with assets held for sale		74,366	74,366
TOTAL LIABILITIES	**2,511,937**	**-**	**2,511,937**
EQUITY			
Share capital, additional paid-in capital and retained earnings	*108,176*		*108,176*
Net income for the period attributable to shareholders	*9,488*		*9,488*
Total capital, retained earnings and net income for the period attributable to shareholders	**117,664**		**117,664**
Changes in assets and liabilities recognised directly in equity	222		222
Shareholders' equity	**117,886**		**117,886**
Total minority interests	**4,621**		**4,621**
TOTAL EQUITY	**122,507**	**-**	**122,507**
TOTAL LIABILITIES AND EQUITY	**2,634,444**	**-**	**2,634,444**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	4Q21	4Q20	4Q21 / 4Q20	3Q21	4Q21 / 3Q21	2021	2020	2021 / 2020
Group								
Revenues	**11,232**	**10,827**	**+3.7%**	**11,398**	**-1.5%**	**46,235**	**44,275**	**+4.4%**
Operating Expenses and Dep.	-7,930	-7,562	+4.9%	-7,412	+7.0%	-31,111	-30,194	+3.0%
Gross Operating Income	**3,302**	**3,265**	**+1.1%**	**3,986**	**-17.2%**	**15,124**	**14,081**	**+7.4%**
Cost of Risk	-510	-1,599	-68.1%	-706	-27.8%	-2,925	-5,717	-48.8%
Operating Income	**2,792**	**1,666**	**+67.6%**	**3,280**	**-14.9%**	**12,199**	**8,364**	**+45.9%**
Share of Earnings of Equity-Method Entities	138	68	n.s.	131	+5.3%	494	423	+16.8%
Other Non Operating Items	240	496	-51.6%	39	n.s.	944	1,035	-8.8%
Non Operating Items	**378**	**564**	**-33.0%**	**170**	**n.s.**	**1,438**	**1,458**	**-1.4%**
Pre-Tax Income	**3,170**	**2,230**	**+42.2%**	**3,450**	**-8.1%**	**13,637**	**9,822**	**+38.8%**
Corporate Income Tax	-759	-558	+36.0%	-836	-9.2%	-3,757	-2,407	+56.1%
Net Income Attributable to Minority Interests	-105	-80	+31.3%	-111	-5.4%	-392	-348	+12.6%
Net Income Attributable to Equity Holders	**2,306**	**1,592**	**+44.9%**	**2,503**	**-7.9%**	**9,488**	**7,067**	**+34.3%**
Cost/income	**70.6%**	**69.8%**	**+0.8 pt**	**65.0%**	**+5.6 pt**	**67.3%**	**68.2%**	**-0.9 pt**

BNP Paribas' financial disclosures for the fourth quarter 2021 and for the year 2021 are contained in this press release and in the presentation attached herewith.
All legally required disclosures, including the Universal Registration document, are available online at http://invest.bnpparibas.com in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 and seq. of the Autorité des Marchés Financiers' general rules.

4Q21 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**3,992**	**3,952**	**3,264**	**11,208**	**24**	**11,232**
	%Change4Q20	+4.0%	+0.9%	-1.5%	+1.3%	n.s.	+3.7%
	%Change3Q21	+0.4%	+3.4%	-9.0%	-1.6%	n.s.	-1.5%
Operating Expenses and Dep.		-2,611	-2,700	-2,348	-7,659	-271	-7,930
	%Change4Q20	+3.0%	+5.7%	+7.2%	+5.2%	-4.2%	+4.9%
	%Change3Q21	+3.6%	+9.5%	+4.7%	+6.0%	+48.2%	+7.0%
Gross Operating Income		**1,382**	**1,252**	**915**	**3,549**	**-247**	**3,302**
	%Change4Q20	+5.9%	-8.0%	-18.6%	-6.3%	-53.0%	+1.1%
	%Change3Q21	-5.1%	-7.7%	-32.0%	-14.7%	+43.5%	-17.2%
Cost of Risk		-243	-353	80	-517	7	-510
	%Change4Q20	-47.0%	-47.9%	n.s.	-67.1%	n.s.	-68.1%
	%Change3Q21	-28.9%	+18.1%	n.s.	-22.4%	n.s.	-27.8%
Operating Income		**1,138**	**898**	**996**	**3,032**	**-240**	**2,792**
	%Change4Q20	+34.7%	+31.7%	+43.8%	+36.6%	-56.6%	+67.6%
	%Change3Q21	+2.2%	-15.1%	-24.7%	-13.2%	+13.1%	-14.9%
Share of Earnings of Equity-Method Entities		1	126	6	134	4	138
Other Non Operating Items		-5	-2	1	-7	247	240
Pre-Tax Income		**1,135**	**1,022**	**1,003**	**3,159**	**11**	**3,170**
	%Change4Q20	+27.5%	+34.6%	+41.3%	+33.9%	n.s.	+42.2%
	%Change3Q21	-3.7%	-15.0%	-24.6%	-14.9%	n.s.	-8.1%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**3,992**	**3,952**	**3,264**	**11,208**	**24**	**11,232**
	4Q20	3,838	3,915	3,315	11,068	-241	10,827
	3Q21	3,976	3,823	3,588	11,387	11	11,398
Operating Expenses and Dep.		-2,611	-2,700	-2,348	-7,659	-271	-7,930
	4Q20	-2,534	-2,555	-2,190	-7,279	-283	-7,562
	3Q21	-2,520	-2,466	-2,243	-7,229	-183	-7,412
Gross Operating Income		**1,382**	**1,252**	**915**	**3,549**	**-247**	**3,302**
	4Q20	1,304	1,360	1,125	3,789	**-524**	3,265
	3Q21	1,456	1,357	1,346	4,158	**-172**	3,986
Cost of Risk		-243	-353	80	-517	7	-510
	4Q20	-459	-678	-432	-1,570	-29	-1,599
	3Q21	-342	-299	-24	-666	-40	-706
Operating Income		**1,138**	**898**	**996**	**3,032**	**-240**	**2,792**
	4Q20	845	682	692	2,219	**-554**	1,666
	3Q21	1,113	1,057	1,322	3,493	**-212**	3,280
Share of Earnings of Equity-Method Entities		1	126	6	134	4	138
	4Q20	1	56	8	64	4	68
	3Q21	5	105	9	118	13	131
Other Non Operating Items		-5	-2	1	-7	247	240
	4Q20	44	22	9	75	421	496
	3Q21	60	40	0	100	-61	39
Pre-Tax Income		**1,135**	**1,022**	**1,003**	**3,159**	**11**	**3,170**
	4Q20	890	759	710	2,359	**-129**	2,230
	3Q21	1,179	1,202	1,331	3,711	**-260**	3,450
Corporate Income Tax							-759
Net Income Attributable to Minority Interests							-105
Net Income Attributable to Equity Holders							**2,306**

2021 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**15,736**	**15,751**	**14,236**	**45,723**	**512**	**46,235**
	%Change2020	+5.4%	-12%	+3.4%	+2.4%	n.s.	+4.4%
Operating Expenses and Dep.		-10,473	-10,231	-9,400	-30,104	-1,007	-31,111
	%Change2020	+2.0%	+1.1%	+5.4%	+2.7%	+13.1%	+3.0%
Gross Operating Income		**5,263**	**5,519**	**4,836**	**15,619**	**-495**	**15,124**
	%Change2020	+12.8%	-5.2%	-0.1%	+19%	-60.4%	+7.4%
Cost of Risk		-1,173	-1,427	-173	-2,772	-153	-2,925
	%Change2020	-18.9%	-48.6%	-87.9%	-50.9%	n.s.	-48.8%
Operating Income		**4,090**	**4,092**	**4,664**	**12,846**	**-647**	**12,199**
	%Change2020	+27.1%	+34.4%	+36.4%	+32.7%	-510%	+45.9%
Share of Earnings of Equity-Method Entities		0	444	33	478	16	494
Other Non Operating Items		62	83	24	169	775	944
Pre-Tax Income		**4,152**	**4,620**	**4,721**	**13,493**	**144**	**13,637**
	%Change2020	+26.8%	+35.0%	+36.7%	+33.0%	n.s.	+38.8%
Corporate Income Tax							-3,757
Net Income Attributable to Minority Interests							-392
Net Income Attributable to Equity Holders							9,488

QUARTERLY SERIES

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
GROUP								
Revenues	**11,232**	**11,398**	**11,776**	**11,829**	**10,827**	**10,885**	**11,675**	**10,888**
Operating Expenses and Dep.	-7,930	-7,412	-7,172	-8,597	-7,562	-7,137	-7,338	-8,157
Gross Operating Income	**3,302**	**3,986**	**4,604**	**3,232**	**3,265**	**3,748**	**4,337**	**2,731**
Cost of Risk	-510	-706	-813	-896	-1,599	-1,245	-1,447	-1,426
Operating Income	**2,792**	**3,280**	**3,791**	**2,336**	**1,666**	**2,503**	**2,890**	**1,305**
Share of Earnings of Equity-Method Entities	138	131	101	124	68	130	130	95
Other Non Operating Items	240	39	302	363	496	38	106	395
Pre-Tax Income	**3,170**	**3,450**	**4,194**	**2,823**	**2,230**	**2,671**	**3,126**	**1,795**
Corporate Income Tax	-759	-836	-1,193	-969	-558	-692	-746	-411
Net Income Attributable to Minority Interests	-105	-111	-90	-86	-80	-85	-81	-102
Net Income Attributable to Equity Holders	**2,306**	**2,503**	**2,911**	**1,768**	**1,592**	**1,894**	**2,299**	**1,282**
Cost/Income	**70.6%**	**65.0%**	**60.9%**	**72.7%**	**69.8%**	**65.6%**	**62.9%**	**74.9%**

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
RETAIL BANKING & SERVICES Excl. PEL/CEL								
Revenues	**7,938**	**7,795**	**7,881**	**7,843**	**7,753**	**7,677**	**7,615**	**7,823**
Operating Expenses and Dep.	-5,311	-4,986	-4,909	-5,499	-5,089	-4,855	-4,790	-5,650
Gross Operating Income	**2,627**	**2,809**	**2,972**	**2,344**	**2,664**	**2,822**	**2,825**	**2,172**
Cost of Risk	-597	-641	-693	-669	-1,137	-938	-1,095	-1,050
Operating Income	**2,031**	**2,168**	**2,280**	**1,675**	**1,527**	**1,883**	**1,730**	**1,122**
Share of Earnings of Equity-Method Entities	128	110	111	96	56	111	116	74
Other Non Operating Items	-8	100	-8	61	66	-5	-2	12
Pre-Tax Income	**2,151**	**2,377**	**2,382**	**1,832**	**1,649**	**1,990**	**1,845**	**1,208**
Allocated Equity (€bn, year to date)	54.8	54.6	54.6	54.9	55.3	55.6	55.8	55.8

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
RETAIL BANKING & SERVICES								
Revenues	**7,944**	**7,798**	**7,900**	**7,844**	**7,753**	**7,678**	**7,630**	**7,810**
Operating Expenses and Dep.	-5,311	-4,986	-4,909	-5,499	-5,089	-4,855	-4,790	-5,650
Gross Operating Income	**2,633**	**2,812**	**2,992**	**2,345**	**2,664**	**2,823**	**2,840**	**2,159**
Cost of Risk	-597	-641	-693	-669	-1,137	-938	-1,095	-1,050
Operating Income	**2,037**	**2,171**	**2,299**	**1,676**	**1,527**	**1,885**	**1,745**	**1,109**
Share of Earnings of Equity-Method Entities	128	110	111	96	56	111	116	74
Other Non Operating Items	-8	100	-8	61	66	-5	-2	12
Pre-Tax Income	**2,156**	**2,380**	**2,402**	**1,833**	**1,649**	**1,991**	**1,859**	**1,195**
Allocated Equity (€bn, year to date)	54.8	54.6	54.6	54.9	55.3	55.6	55.8	55.8

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
DOMESTIC MARKETS (including 100% of PB in France, Italy, Belgium and Luxembourg)[1] Excluding PEL/CEL Effects								
Revenues	**4,130**	**4,112**	**4,076**	**3,956**	**3,976**	**3,867**	**3,721**	**3,913**
Operating Expenses and Dep.	-2,691	-2,595	-2,502	-2,997	-2,610	-2,543	-2,446	-2,970
Gross Operating Income	**1,440**	**1,518**	**1,574**	**959**	**1,366**	**1,324**	**1,276**	**943**
Cost of Risk	-243	-343	-284	-315	-458	-353	-331	-313
Operating Income	**1,197**	**1,174**	**1,291**	**644**	**908**	**971**	**944**	**630**
Share of Earnings of Equity-Method Entities	1	5	-2	-5	1	4	1	0
Other Non Operating Items	-5	60	3	4	45	4	1	1
Pre-Tax Income	**1,193**	**1,239**	**1,292**	**643**	**953**	**978**	**946**	**630**
Income Attributable to Wealth and Asset Management	-65	-64	-64	-53	-64	-56	-62	-56
Pre-Tax Income of Domestic Markets	**1,129**	**1,176**	**1,228**	**590**	**890**	**922**	**884**	**574**
Allocated Equity (€bn, year to date)	25.5	25.6	25.7	25.8	26.2	26.3	26.1	26.0

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
DOMESTIC MARKETS (including 2/3 of PB in France, Italy, Belgium and Luxembourg)								
Revenues	**3,992**	**3,976**	**3,952**	**3,816**	**3,838**	**3,735**	**3,602**	**3,757**
Operating Expenses and Dep.	-2,611	-2,520	-2,431	-2,912	-2,534	-2,473	-2,376	-2,885
Gross Operating Income	**1,382**	**1,456**	**1,522**	**904**	**1,304**	**1,262**	**1,226**	**872**
Cost of Risk	-243	-342	-276	-311	-459	-346	-329	-311
Operating Income	**1,138**	**1,113**	**1,246**	**593**	**845**	**916**	**897**	**561**
Share of Earnings of Equity-Method Entities	1	5	-2	-5	1	4	1	0
Other Non Operating Items	-5	60	3	3	44	4	1	0
Pre-Tax Income	**1,135**	**1,179**	**1,247**	**591**	**890**	**924**	**899**	**561**
Allocated Equity (€bn, year to date)	25.5	25.6	25.7	25.8	26.2	26.3	26.1	26.0

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
FRENCH RETAIL BANKING (including 100% of Private Banking in France)[1]								
Revenues	**1,608**	**1,574**	**1,607**	**1,481**	**1,516**	**1,498**	**1,423**	**1,511**
Incl. Net Interest Income	*884*	*859*	*860*	*797*	*855*	*853*	*788*	*810*
Incl. Commissions	*724*	*714*	*747*	*684*	*661*	*645*	*634*	*702*
Operating Expenses and Dep.	-1,178	-1,129	-1,075	-1,169	-1,126	-1,125	-1,074	-1,166
Gross Operating Income	**430**	**444**	**532**	**312**	**390**	**373**	**349**	**345**
Cost of Risk	-99	-115	-101	-125	-169	-137	-90	-101
Operating Income	**331**	**329**	**431**	**186**	**221**	**236**	**259**	**244**
Non Operating Items	-15	54	-2	1	40	-2	0	-1
Pre-Tax Income	**316**	**383**	**429**	**187**	**261**	**235**	**259**	**244**
Income Attributable to Wealth and Asset Management	-37	-36	-32	-30	-36	-30	-33	-35
Pre-Tax Income of BDDF	**278**	**346**	**397**	**157**	**225**	**205**	**226**	**209**
Allocated Equity (€bn, year to date)	10.6	10.7	10.8	10.8	11.0	11.0	10.8	10.6

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
FRENCH RETAIL BANKING (including 100% of Private Banking in France)[1] Excluding PEL/CEL Effects								
Revenues	**1,602**	**1,570**	**1,587**	**1,480**	**1,516**	**1,496**	**1,408**	**1,524**
Incl. Net Interest Income	*879*	*856*	*840*	*796*	*855*	*852*	*774*	*823*
Incl. Commissions	*724*	*714*	*747*	*684*	*661*	*645*	*634*	*702*
Operating Expenses and Dep.	-1,178	-1,129	-1,075	-1,169	-1,126	-1,125	-1,074	-1,166
Gross Operating Income	**424**	**441**	**513**	**310**	**390**	**371**	**334**	**358**
Cost of Risk	-99	-115	-101	-125	-169	-137	-90	-101
Operating Income	**325**	**326**	**412**	**185**	**221**	**235**	**244**	**257**
Non Operating Items	-15	54	-2	1	40	-2	0	-1
Pre-Tax Income	**310**	**380**	**410**	**186**	**261**	**233**	**245**	**257**
Income Attributable to Wealth and Asset Management	-37	-36	-32	-30	-36	-30	-33	-35
Pre-Tax Income of BDDF	**272**	**343**	**377**	**156**	**225**	**203**	**212**	**222**
Allocated Equity (€bn, year to date)	10.6	10.7	10.8	10.8	11.0	11.0	10.8	10.6

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
Revenues	**1,534**	**1,502**	**1,534**	**1,410**	**1,446**	**1,430**	**1,354**	**1,437**
Operating Expenses and Dep.	-1,142	-1,097	-1,041	-1,133	-1,091	-1,093	-1,040	-1,129
Gross Operating Income	**393**	**406**	**493**	**278**	**355**	**337**	**314**	**308**
Cost of Risk	-99	-113	-94	-121	-170	-130	-88	-99
Operating Income	**293**	**293**	**399**	**156**	**185**	**207**	**226**	**209**
Non Operating Items	-15	54	-2	1	40	-2	0	-1
Pre-Tax Income	**278**	**346**	**397**	**157**	**225**	**205**	**226**	**209**
Allocated Equity (€bn, year to date)	10.6	10.7	10.8	10.8	11.0	11.0	10.8	10.6

1. *Including 100% of Private Banking for the Revenues to Pre-tax income items*

Reminder on PEL/CEL provision: this provision, accounted in the FRB's revenues, takes into account the risk generated by Plans Epargne Logement (PEL) and Comptes Epargne Logement (CEL) during their whole lifetime

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
PEL-CEL Effects	6	3	19	1	0	1	15	-13

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
BNL banca commerciale (Including 100% of Private Banking in Italy)[1]								
Revenues	**668**	**667**	**669**	**676**	**694**	**669**	**649**	**659**
Operating Expenses and Dep.	-438	-449	-435	-459	-434	-426	-422	-465
Gross Operating Income	**230**	**218**	**235**	**217**	**260**	**244**	**227**	**194**
Cost of Risk	-143	-130	-105	-110	-161	-122	-122	-120
Operating Income	**87**	**88**	**130**	**107**	**99**	**122**	**105**	**74**
Non Operating Items	0	0	0	0	0	0	-2	0
Pre-Tax Income	**87**	**88**	**130**	**107**	**99**	**122**	**104**	**73**
Income Attributable to Wealth and Asset Management	-9	-8	-10	-9	-9	-7	-9	-10
Pre-Tax Income of BNL bc	**78**	**80**	**120**	**97**	**90**	**115**	**95**	**64**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.5	5.3	5.3	5.3	5.3

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
Revenues	**645**	**645**	**647**	**654**	**672**	**649**	**629**	**637**
Operating Expenses and Dep.	-424	-435	-422	-446	-421	-413	-410	-453
Gross Operating Income	**222**	**210**	**225**	**207**	**251**	**236**	**218**	**184**
Cost of Risk	-143	-130	-104	-110	-161	-121	-122	-120
Operating Income	**78**	**80**	**120**	**97**	**90**	**115**	**96**	**64**
Non Operating Items	0	0	0	0	0	0	-2	0
Pre-Tax Income	**78**	**80**	**120**	**97**	**90**	**115**	**95**	**64**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.5	5.3	5.3	5.3	5.3

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)[1]								
Revenues	**854**	**933**	**864**	**858**	**861**	**851**	**835**	**885**
Operating Expenses and Dep.	-540	-511	-488	-835	-556	-523	-499	-830
Gross Operating Income	**314**	**422**	**376**	**23**	**305**	**329**	**336**	**55**
Cost of Risk	28	-36	-45	-47	-67	-29	-80	-54
Operating Income	**342**	**386**	**331**	**-24**	**238**	**300**	**256**	**0**
Share of Earnings of Equity-Method Entities	2	5	2	-3	4	7	4	4
Other Non Operating Items	1	6	4	3	6	4	2	1
Pre-Tax Income	**344**	**397**	**337**	**-24**	**247**	**311**	**262**	**5**
Income Attributable to Wealth and Asset Management	-16	-18	-20	-11	-17	-18	-19	-10
Pre-Tax Income of Belgian Retail Banking	**328**	**379**	**317**	**-35**	**230**	**293**	**243**	**-4**
Allocated Equity (€bn, year to date)	5.3	5.2	5.2	5.2	5.4	5.5	5.6	5.7

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
Revenues	**812**	**892**	**821**	**815**	**820**	**811**	**794**	**842**
Operating Expenses and Dep.	-514	-487	-466	-802	-532	-501	-477	-797
Gross Operating Income	**298**	**405**	**354**	**13**	**288**	**310**	**317**	**45**
Cost of Risk	28	-37	-44	-48	-68	-28	-79	-54
Operating Income	**326**	**368**	**311**	**-34**	**221**	**282**	**237**	**-9**
Share of Earnings of Equity-Method Entities	2	5	2	-3	4	7	4	4
Other Non Operating Items	1	6	4	3	6	4	2	1
Pre-Tax Income	**328**	**379**	**317**	**-35**	**230**	**293**	**243**	**-4**
Allocated Equity (€bn, year to date)	5.3	5.2	5.2	5.2	5.4	5.5	5.6	5.7

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)[1]								
Revenues	**1,006**	**942**	**956**	**942**	**905**	**850**	**829**	**845**
Operating Expenses and Dep.	-534	-506	-505	-533	-494	-469	-451	-508
Gross Operating Income	**472**	**436**	**451**	**408**	**411**	**380**	**378**	**337**
Cost of Risk	-28	-62	-34	-33	-61	-66	-40	-38
Operating Income	**443**	**374**	**418**	**376**	**350**	**314**	**339**	**299**
Share of Earnings of Equity-Method Entities	0	0	-2	-2	-3	-2	-3	-4
Other Non Operating Items	9	0	0	0	-1	0	0	0
Pre-Tax Income	**452**	**375**	**415**	**374**	**346**	**312**	**336**	**295**
Income Attributable to Wealth and Asset Management	-2	-2	-2	-2	-1	-1	-1	-2
Pre-Tax Income of Other Domestic Markets	**450**	**373**	**414**	**372**	**345**	**311**	**335**	**293**
Allocated Equity (€bn, year to date)	4.3	4.3	4.3	4.3	4.5	4.4	4.4	4.4

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
Revenues	**1,000**	**937**	**951**	**937**	**900**	**846**	**825**	**841**
Operating Expenses and Dep.	-531	-502	-501	-531	-491	-466	-448	-505
Gross Operating Income	**470**	**435**	**450**	**406**	**409**	**379**	**377**	**335**
Cost of Risk	-28	-62	-34	-33	-60	-66	-40	-38
Operating Income	**441**	**372**	**416**	**373**	**349**	**313**	**337**	**297**
Share of Earnings of Equity-Method Entities	0	0	-2	-2	-3	-2	-3	-4
Other Non Operating Items	9	0	0	0	-1	0	0	0
Pre-Tax Income	**450**	**373**	**414**	**372**	**345**	**311**	**335**	**293**
Allocated Equity (€bn, year to date)	4.3	4.3	4.3	4.3	4.5	4.4	4.4	4.4

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
INTERNATIONAL FINANCIAL SERVICES								
Revenues	**3,952**	**3,823**	**3,948**	**4,028**	**3,915**	**3,943**	**4,027**	**4,053**
Operating Expenses and Dep.	-2,700	-2,466	-2,478	-2,587	-2,555	-2,382	-2,414	-2,766
Gross Operating Income	**1,252**	**1,357**	**1,470**	**1,441**	**1,360**	**1,561**	**1,613**	**1,287**
Cost of Risk	-353	-299	-417	-357	-678	-592	-765	-739
Operating Income	**898**	**1,057**	**1,053**	**1,084**	**682**	**969**	**848**	**548**
Share of Earnings of Equity-Method Entities	126	105	113	100	56	107	116	75
Other Non Operating Items	-2	40	-12	57	22	-9	-3	12
Pre-Tax Income	**1,022**	**1,202**	**1,154**	**1,242**	**759**	**1,067**	**960**	**634**
Allocated Equity (€bn, year to date)	29.2	29.1	29.0	29.0	29.2	29.3	29.8	29.8

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
Personal Finance								
Revenues	**1,294**	**1,271**	**1,319**	**1,332**	**1,365**	**1,343**	**1,302**	**1,475**
Operating Expenses and Dep.	-710	-644	-700	-763	-687	-641	-641	-787
Gross Operating Income	**584**	**627**	**619**	**568**	**678**	**703**	**661**	**688**
Cost of Risk	-346	-303	-344	-321	-581	-383	-450	-582
Operating Income	**238**	**324**	**276**	**248**	**97**	**320**	**211**	**105**
Share of Earnings of Equity-Method Entities	22	16	-2	16	-4	7	-5	8
Other Non Operating Items	-2	36	-9	1	-60	-11	4	0
Pre-Tax Income	**258**	**376**	**264**	**264**	**33**	**315**	**210**	**113**
Allocated Equity (€bn, year to date)	7.7	7.8	7.8	7.8	7.9	8.0	8.1	8.1

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey and Poland)[1]								
Revenues	**449**	**511**	**464**	**516**	**527**	**561**	**609**	**665**
Operating Expenses and Dep.	-395	-383	-394	-433	-402	-405	-414	-490
Gross Operating Income	**54**	**128**	**71**	**84**	**125**	**156**	**196**	**175**
Cost of Risk	-32	-15	-58	-39	-95	-113	-143	-86
Operating Income	**22**	**113**	**12**	**45**	**30**	**43**	**53**	**89**
Share of Earnings of Equity-Method Entities	46	71	77	40	33	52	53	55
Other Non Operating Items	-3	-1	-7	-41	18	-1	-25	3
Pre-Tax Income	**65**	**183**	**82**	**43**	**80**	**93**	**80**	**147**
Income Attributable to Wealth and Asset Management	-2	-1	-2	-3	-2	-2	-1	-3
Pre-Tax Income of EM	**63**	**182**	**80**	**41**	**78**	**91**	**79**	**144**
Allocated Equity (€bn, year to date)	5.0	5.0	5.0	5.1	5.1	5.2	5.3	5.3

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey and Poland)								
Revenues	**445**	**508**	**461**	**512**	**523**	**557**	**606**	**660**
Operating Expenses and Dep.	-393	-381	-392	-431	-401	-403	-411	-488
Gross Operating Income	**52**	**127**	**69**	**82**	**122**	**154**	**194**	**172**
Cost of Risk	-32	-15	-58	-39	-95	-113	-143	-86
Operating Income	**20**	**112**	**10**	**43**	**28**	**41**	**51**	**86**
Share of Earnings of Equity-Method Entities	46	71	77	40	33	52	53	55
Other Non Operating Items	-3	-1	-7	-41	18	-1	-25	3
Pre-Tax Income	**63**	**182**	**80**	**41**	**78**	**91**	**79**	**144**
Allocated Equity (€bn, year to date)	5.0	5.0	5.0	5.1	5.1	5.2	5.3	5.3

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
BANCWEST (Including 100% of Private Banking in United States)[1]								
Revenues	**626**	**588**	**587**	**625**	**594**	**627**	**629**	**611**
Operating Expenses and Dep.	-457	-425	-406	-407	-423	-403	-432	-465
Gross Operating Income	**169**	**163**	**182**	**218**	**171**	**224**	**197**	**146**
Cost of Risk	24	23	-8	7	-3	-90	-167	-62
Operating Income	**194**	**186**	**173**	**224**	**168**	**134**	**30**	**83**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0	0	0
Other Non Operating Items	6	9	3	2	0	2	-3	0
Pre-Tax Income	**199**	**195**	**176**	**226**	**168**	**136**	**27**	**83**
Income Attributable to Wealth and Asset Management	-7	-6	-5	-7	-6	-6	-5	-5
NRBI	**192**	**189**	**171**	**219**	**162**	**130**	**22**	**78**
Allocated Equity (€bn, year to date)	5.0	4.9	5.0	5.0	5.5	5.6	5.7	5.7

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
BANCWEST (Including 2/3 of Private Banking in United States)								
Revenues	**608**	**572**	**571**	**609**	**578**	**612**	**614**	**596**
Operating Expenses and Dep.	-446	-415	-395	-398	-413	-394	-422	-455
Gross Operating Income	**162**	**157**	**176**	**211**	**165**	**218**	**192**	**141**
Cost of Risk	24	23	-8	7	-3	-90	-167	-62
Operating Income	**187**	**180**	**168**	**217**	**162**	**128**	**25**	**78**
Non Operating Items	6	9	3	2	0	2	-3	0
Pre-Tax Income	**192**	**189**	**171**	**219**	**162**	**130**	**22**	**78**
Allocated Equity (€bn, year to date)	5.0	4.9	5.0	5.0	5.5	5.6	5.7	5.7

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
Insurance								
Revenues	**655**	**613**	**767**	**792**	**622**	**697**	**828**	**579**
Operating Expenses and Dep.	-410	-376	-367	-383	-385	-347	-339	-393
Gross Operating Income	**245**	**237**	**399**	**409**	**237**	**350**	**489**	**186**
Cost of Risk	-1	0	-1	0	0	0	-2	1
Operating Income	**244**	**237**	**399**	**409**	**237**	**350**	**487**	**187**
Share of Earnings of Equity-Method Entities	30	-2	25	33	16	35	39	1
Other Non Operating Items	-2	-4	0	0	0	0	21	9
Pre-Tax Income	**272**	**231**	**424**	**442**	**253**	**384**	**548**	**197**
Allocated Equity (€bn, year to date)	9.4	9.2	9.1	9.0	8.6	8.6	8.5	8.6

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
WEALTH AND ASSET MANAGEMENT								
Revenues	**949**	**859**	**830**	**784**	**826**	**734**	**678**	**743**
Operating Expenses and Dep.	-741	-651	-624	-612	-669	-598	-601	-642
Gross Operating Income	**208**	**208**	**206**	**172**	**157**	**136**	**77**	**101**
Cost of Risk	1	-3	-6	-4	1	-6	-4	-9
Operating Income	**209**	**205**	**201**	**167**	**159**	**130**	**74**	**92**
Share of Earnings of Equity-Method Entities	28	19	13	12	11	14	28	11
Other Non Operating Items	0	0	2	96	63	1	0	0
Pre-Tax Income	**237**	**224**	**215**	**275**	**233**	**146**	**102**	**102**
Allocated Equity (€bn, year to date)	2.1	2.1	2.1	2.1	2.0	2.0	2.1	2.1

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
CORPORATE AND INSTITUTIONAL BANKING								
Revenues	**3,264**	**3,588**	**3,714**	**3,670**	**3,315**	**3,372**	**4,123**	**2,953**
Operating Expenses and Dep.	-2,348	-2,243	-2,042	-2,767	-2,190	-2,117	-2,220	-2,393
Gross Operating Income	**915**	**1,346**	**1,672**	**903**	**1,125**	**1,255**	**1,904**	**560**
Cost of Risk	80	-24	-57	-172	-432	-310	-319	-363
Operating Income	**996**	**1,322**	**1,615**	**731**	**692**	**945**	**1,585**	**197**
Share of Earnings of Equity-Method Entities	6	9	10	9	8	3	-3	3
Other Non Operating Items	1	0	12	11	9	7	6	2
Pre-Tax Income	**1,003**	**1,331**	**1,637**	**751**	**710**	**955**	**1,587**	**202**
Allocated Equity (€bn, year to date)	26.2	25.8	25.3	25.0	24.5	24.7	24.3	22.3

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
CORPORATE BANKING								
Revenues	**1,324**	**1,282**	**1,238**	**1,243**	**1,281**	**1,118**	**1,258**	**1,070**
Operating Expenses and Dep.	-655	-640	-589	-755	-645	-598	-632	-748
Gross Operating Income	**669**	**642**	**649**	**488**	**636**	**520**	**627**	**321**
Cost of Risk	72	-24	-64	-185	-430	-311	-366	-201
Operating Income	**741**	**618**	**585**	**303**	**206**	**209**	**261**	**121**
Non Operating Items	-1	-2	9	6	6	2	-2	3
Pre-Tax Income	**740**	**616**	**594**	**309**	**212**	**211**	**259**	**124**
Allocated Equity (€bn, year to date)	14.3	14.0	13.5	13.6	13.5	13.6	13.6	13.0

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
GLOBAL MARKETS								
Revenues	**1,338**	**1,731**	**1,904**	**1,846**	**1,498**	**1,711**	**2,304**	**1,306**
incl. FICC	*755*	*896*	*1,148*	*1,149*	*1,002*	*1,245*	*2,013*	*1,392*
incl. Equity & Prime Services	*583*	*835*	*757*	*697*	*497*	*466*	*290*	*-87*
Operating Expenses and Dep.	-1,224	-1,137	-999	-1,527	-1,089	-1,065	-1,137	-1,162
Gross Operating Income	**115**	**594**	**905**	**319**	**410**	**646**	**1,167**	**143**
Cost of Risk	10	-2	5	14	-2	1	45	-161
Operating Income	**124**	**592**	**910**	**333**	**407**	**647**	**1,212**	**-17**
Share of Earnings of Equity-Method Entities	5	2	5	2	2	0	-2	1
Other Non Operating Items	-5	4	2	3	0	0	3	0
Pre-Tax Income	**125**	**598**	**917**	**339**	**409**	**648**	**1,214**	**-17**
Allocated Equity (€bn, year to date)	10.7	10.7	10.7	10.4	10.0	10.1	9.8	8.4

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
SECURITIES SERVICES								
Revenues	**602**	**575**	**571**	**581**	**536**	**544**	**561**	**577**
Operating Expenses and Dep.	-469	-465	-454	-485	-457	-454	-451	-482
Gross Operating Income	**132**	**110**	**117**	**96**	**79**	**89**	**109**	**95**
Cost of Risk	-2	2	2	-1	1	0	2	-2
Operating Income	**130**	**112**	**120**	**95**	**79**	**89**	**111**	**93**
Non Operating Items	8	5	6	8	9	7	3	2
Pre-Tax Income	**138**	**117**	**126**	**103**	**89**	**96**	**114**	**95**
Allocated Equity (€bn, year to date)	1.2	1.2	1.1	1.1	1.0	1.0	1.0	0.9

€m	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20
CORPORATE CENTRE								
Revenues	**24**	**11**	**162**	**314**	**-241**	**-165**	**-78**	**126**
Operating Expenses and Dep.	*-271*	*-183*	*-222*	*-331*	*-283*	*-165*	*-329*	*-114*
'Incl. Transformation, Restructuring and Adaptation Costs	*-82*	*-62*	*-71*	*-77*	*-150*	*-84*	*-75*	*-79*
Gross Operating Income	**-247**	**-172**	**-59**	**-17**	**-524**	**-330**	**-406**	**12**
Cost of Risk	7	-40	-64	-55	-29	3	-33	-13
Operating Income	**-240**	**-212**	**-123**	**-72**	**-554**	**-327**	**-439**	**-1**
Share of Earnings of Equity-Method Entities	4	13	-20	20	4	16	17	18
Other Non Operating Items	247	-61	298	292	421	36	102	381
Pre-Tax Income	**11**	**-260**	**155**	**239**	**-129**	**-276**	**-320**	**398**

ALTERNATIVE PERFORMANCE MEASURES (APM) ARTICLE 223 – 1 OF THE AMF'S GENERAL REGULATION

Alternative Performance Measures	Definition	Reason for use
Operating division profit and loss account aggregates (revenues, operating expenses, gross operating income, operating income, pre-tax income)	Sum of Domestic Markets' profit and loss account aggregates (with Domestic Markets' profit and loss account aggregates, including 2/3 of private banking in France, Italy, Belgium and Luxembourg), IFS and CIB BNP Paribas Group profit and loss account aggregates = Operating division profit and loss account aggregates + Corporate Centre profit and loss account aggregates Reconciliation with Group profit and loss account aggregates is provided in the tables "Results by Core businesses"	Representative measure of the BNP Paribas Group's operating performance
Profit and loss account aggregates, excluding PEL/CEL effect (revenues, gross operating income, operating income, pre-tax income)	Profit and loss account aggregates, excluding PEL/CEL effect Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the aggregates of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit and loss account aggregates of Retail Banking activity with 100% of Private Banking	Profit and loss account aggregate of a Retail Banking activity including the whole profit and loss account of Private Banking Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the performance of Retail Banking activity including the total performance of Private Banking (before sharing the profit & loss account with the Wealth Management business, Private Banking being under a joint responsibility of Retail Banking (2/3) and Wealth Management business (1/3)
Evolution of operating expenses excluding IFRIC 21	Change in operating expenses excluding taxes and contributions subject to IFRIC 21.	Representative measure of the change in operating expenses' excluding the taxes and contributions subject to IFRIC 21 booked almost entirely for the 9 months in the 1st semester, given in order to avoid any confusion compared to other quarters
Cost/income ratio	Costs to income ratio	Measure of operational efficiency in the banking sector
Cost of risk/Customer loans at the beginning of the period (in basis points)	Cost of risk (in €m) divided by customer loans at the beginning of the period Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the Results' presentation	Measure of the risk level by business in percentage of the volume of outstanding loans
Doubtful loans' coverage ratio	Relationship between stage 3 provisions and impaired outstandings (stage 3), balance sheet and off-balance sheet, netted for collateral received, for customers and credit institutions, including liabilities at amortised cost and debt securities at fair value through equity (excluding insurance business)	Measure of provisioning for doubtful loans
Net income Group share excluding exceptional items	Net income attributable to equity holders excluding exceptional items Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably restructuring, adaptation, IT reinforcement and transformation costs.
Return on Equity (ROE)	Details of the ROE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on equity
Return on Tangible Equity (ROTE)	Details of the ROTE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on tangible equity

Methodology – Comparative analysis at constant scope and exchange rates

The method used to determine the effect of changes in scope of consolidation depends on the type of transaction (acquisition, sale, etc.). The underlying purpose of the calculation is to facilitate period-on-period comparisons.

In case of acquired or created entity, the results of the new entity are eliminated from the constant scope results of current-year periods corresponding to the periods when the entity was not owned in the prior-year.
In case of divested entities, the entity's results are excluded symmetrically for the prior year for quarters when the entity was not owned.
In case of change of consolidation method, the policy is to use the lowest consolidation percentage over the two years (current and prior) for results of quarters adjusted on a like-for-like basis.

Comparative analysis at constant exchange rates are prepared by restating results for the prior-year quarter (reference quarter) at the current quarter exchange rate (analyzed quarter). All of these calculations are performed by reference to the entity's reporting currency.

Reminder

Operating expenses: sum of salary and employee benefit expenses, other operating expenses and depreciation, amortization and impairment of property, plant and equipment. In the whole document, the terms operating expenses or costs can be used indifferently.

Operating divisions: they consist of 3 divisions:

- Domestic Markets including: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Belgium Retail Banking (BRB), Other Domestic Markets activities including Arval, Leasing Solutions, Personal Investors, Nickel and Luxembourg Retail Banking (LRB);
- International Financial Services (IFS) including: Europe-Mediterranean, BancWest, Personal Finance, Insurance, Wealth & Asset Management (WAM) that includes Asset Management, Wealth Management and Real Estate Services;
- Corporate and Institutional Banking (CIB) including: Corporate Banking, Global Markets, Securities Services.

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2021 FULL YEAR RESULTS

8 February 2022

BNP PARIBAS

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Disclaimer

The figures included in this presentation are unaudited.

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Unless otherwise mentioned, the financial information and items contained in this announcement include the activity related to BancWest reflecting an operational view. Such financial information and items therefore do not reflect the effects produced by applying IFRS 5, which pertains to non-current assets and liabilities held for sale. The press release pertaining to the 2021 full-year results includes in appendix a reconciliation between the operational view presented without applying IFRS 5 and the consolidated financial statements based on an application of IFRS 5.

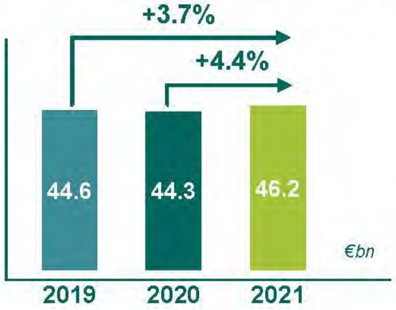
2021: A very strong increase in results

Sustained revenue growth • Very good momentum at Domestic Markets • Increase in Asset Management and Insurance revenues • Further increase at CIB	**Revenues:** +4.4% vs. 2020 (+3.7% vs. 2019)
Positive jaws effect despite the increase in the SRF[1] contribution **Business development and Investments**	**Costs:** +3.0% vs. 2020 (-0.7% vs. 2019)
Cost of risk at a low level	**Cost of risk:** 34 bps[2]
Very strong growth in net income[3] vs. 2020 and 2019	**Net income[3]: €9,488m** +34.3% vs. 2020 (+16.1% vs. 2019)
Very solid balance sheet	**CET1 ratio[4]:** 12.9% **ROTE[5]:** 10.0%
2021 pay-out ratio: 60% **(50% in cash[6], 10% in share buyback[7])**	**Dividend[6]:** €3.67

1. Single Resolution Fund; 2. Cost of risk vs. customer loans outstanding at the beginning of the period (in bp); 3. Group share; 4. CRD4; including IFRS9 transitional arrangements - See slide 12; 5. Return on tangible equity non revaluated; 6. Subject to the approval of the General Meeting of 17 May 2022; 7. Share buyback programme totalling €900m executed in 4Q21

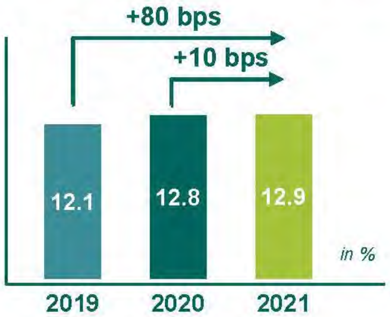
A robust performance

- **2021 Revenues: €46,235m**

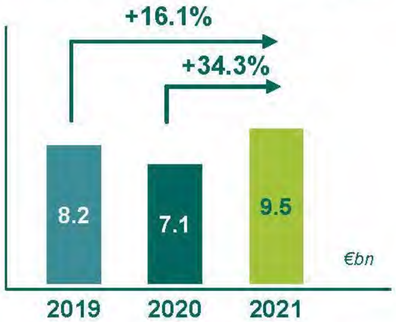


- **2021 Operating expenses** (excluding taxes subject to IFRIC 21): **€29,595m**

- **CET1 ratio at 31.12.21: 12.9%**



- **2021 Net income[1]: €9,488m**



- **Revenue growth** consolidated by **diversification and a comprehensive approach** of the needs of customers and of the economy
- **Investment capacity and positive jaws effects** driven by the development of **platforms** and **operational efficiency** measures

- **2021 ROTE: 10.0%**
- **Strong growth in earnings per share (EPS) vs. 2020 and 2019**

  2021 EPS: €7.26[2]

  +36.7% vs. 2020

  +16.9% vs. 2019

  CAGR 16-21: +3.9%

Continuous and sustainable value creation

1. Group share; 2. See p93

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GROUP RESULTS

Main exceptional items – 2021

Exceptional items

	2021	2020
Revenues		
• Accounting impact of a swap set up for the transfer of an activity (*Corporate Centre*)		-€104m
Total exceptional revenues		***-€104m***
Operating expenses		
• Restructuring costs[1] and adaptation costs[2] (*Corporate Centre*)	-€164m	-€211m
• IT reinforcement costs (*Corporate Centre*)	-€128m	-€178m
• Donations and staff safety measures relating to the health crisis (*Corporate Centre*)		-€132m
Total exceptional operating expenses	***-€292m***	***-€521m***
Other non-operating items		
• Capital gain on the sale of buildings (*Corporate Centre)*	+€486m	+€699m
• Capital gain related to Allfunds[3] (Corporate Centre)	+€444m	+€371m
• Capital gain on the sale of a stake held by BNP Paribas Asset Management in a JV (*Wealth and Asset Management*)	+€96m	
• Impairments (Corporate Centre)	-€74m	-€130m
Total exceptional other non-operating items	***+€952m***	***+€940m***
Total exceptional items (pre-tax)	**+€660m**	**+€316m**
Total exceptional items (after tax)[4]	**+€479m**	**+€264m**

Taxes and contributions based on the application of IFRIC 21 "Taxes"[5]

	2021	2020
Taxes and contributions based on the application of IFRIC 21 "Taxes"[5]	**-€1,516m**	**-€1,323m**

1. Related to the restructuring of certain businesses (in particular at CIB); 2. Related in particular to Wealth Management, BancWest and CIB; 3. Disposal of 8.69% stake in Allfunds, BNP Paribas still holds a 13.81% stake in Allfunds; 4. Group share; 5. Including the contribution to the Single Resolution Fund

2021 – Consolidated Group

Very solid results, strong growth and positive jaws effect

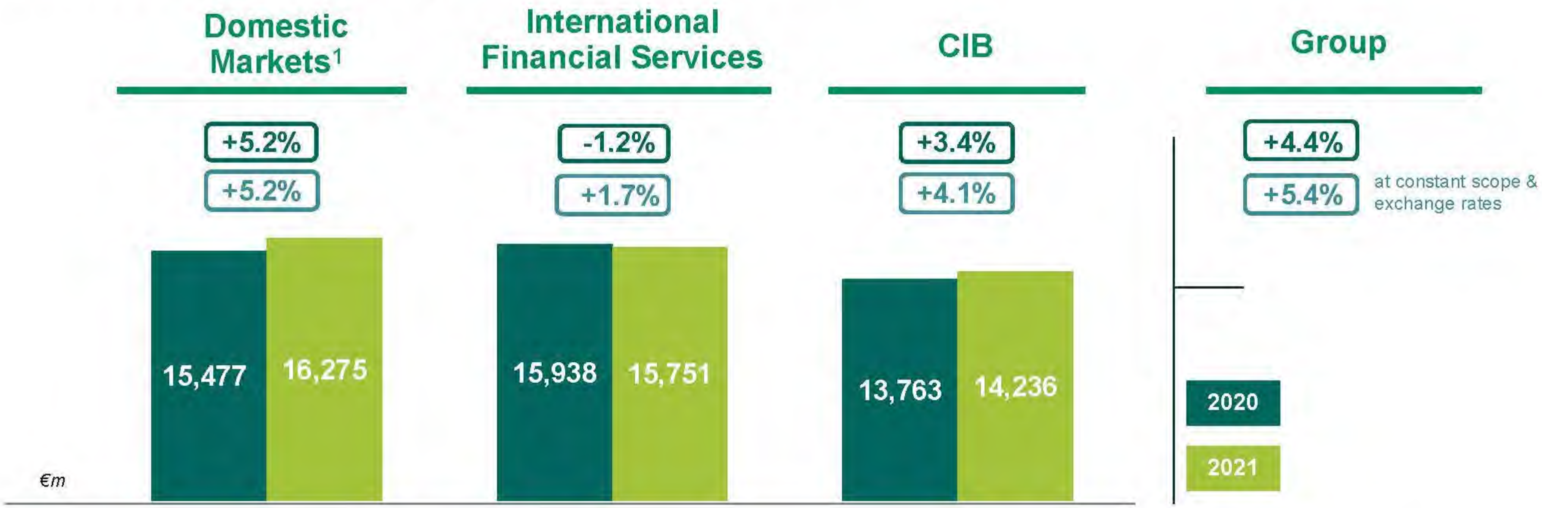
	2021	2020	2021 vs. 2020	2019	2021 vs. 2019
Revenues	**€46,235m**	**€44,275m**	**+4.4%**	**€44,597m**	**+3.7%**
Operating expenses	-€31,111m	-€30,194m	+3.0%	-€31,337m	-0.7%
Gross operating income	**€15,124m**	**€14,081m**	**+7.4%**	**€13,260m**	**+14.1%**
Cost of risk	-€2,925m	-€5,717m	-48.8%	-€3,203m	-8.7%
Operating income	**€12,199m**	**€8,364m**	**+45.9%**	**€10,057m**	**+21.3%**
Non-operating items	€1,438m	€1,458m	-1.4%	€1,337m	+7.6%
Pre-tax income	**€13,637m**	**€9,822m**	**+38.8%**	**€11,394m**	**+19.7%**
Net income, Group share	**€9,488m**	**€7,067m**	**+34.3%**	**€8,173m**	**+16.1%**
Net income, Group share excluding exceptional items[1]	**€9,009m**	**€6,803m**	**+32.4%**	**€8,415m**	**+7.1%**

Return on tangible equity (ROTE)[2]: **10.0%**

1. See slide 6; 2. Not revaluated, see detailed calculation on slide 95

2021 – Revenues

Solid growth driven by a diversified model

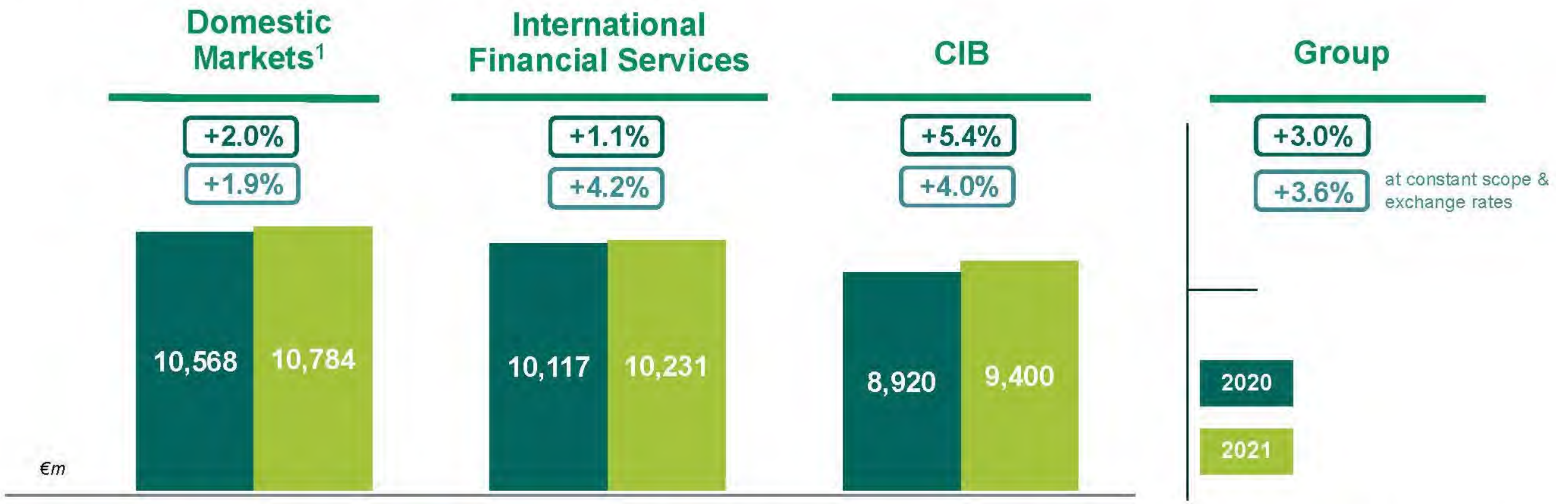


- **Domestic Markets:** strong increase in revenues driven by a good performance in the networks[2] (in France in particular) and very strong growth in the specialised businesses (Arval in particular)
- **IFS:** increase in revenues at constant scope and exchange rates, with a strong growth in asset gathering businesses, an increase at Insurance and BancWest, and a less favourable context for the other businesses
- **CIB:** sustained revenue growth at a high level (+17.8% vs. 2019) – strong growth at Corporate Banking and Securities Services and stability at Global Markets

1. Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg; 2. FRB, BNL bc and BRB

2021 – Operating expenses

Supporting growth – Positive jaws effect



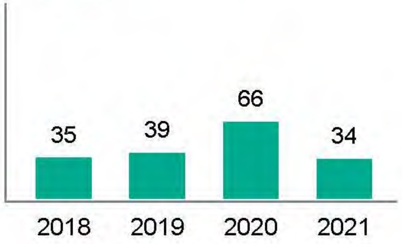
- **Domestic Markets:** support for growth in the specialised businesses and for the rebound of activity in the networks[2], contained by cost-savings measures – very positive jaws effect
- **IFS:** increase in operating expenses, driven mainly by business development and targeted initiatives
- **CIB:** increase in operating expenses, driven by business development, targeted investments and the impact of taxes subject to IFRIC 21

1. Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg; 2. FRB, BNL bc and BRB

Cost of risk – 2021 (1/2)

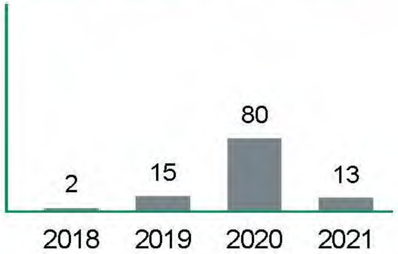
Cost of risk vs. Customer loans outstanding at the beginning of the period (in annualised bps)

Group



- Cost of risk: €2,925m (-€2,792m vs. 2020)
- Cost of risk at a low level due to the limited number of new defaults and a high basis of comparison in 2020
- Marginal releases of provisions on performing loans (stages 1 & 2) in 2021 (€78m) (reminder from 2020: €1.4bn in provisions)

CIB – Corporate Banking

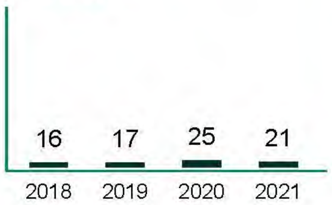


- €201m (-€1,108m vs. 2020)
- Low cost of risk compared to a high base in 2020
- Limited number of new defaults and releases of provisions on performing loans (stages 1 & 2)

Cost of risk – 2021 (2/2)

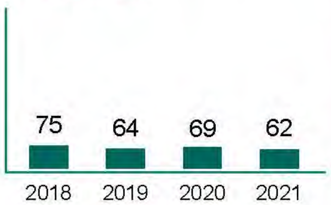
Cost of risk vs. Customer loans outstanding at the beginning of the period (in annualised bps)

FRB



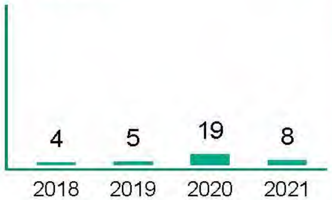
- €441m (-€55m vs. 2020)
- Cost of risk at a low level

BNL bc



- €487m (-€38m vs. 2020)
- Releases of provisions on performing loans[1] and a limited number of new defaults

BRB



- €99m (-€130m vs. 2020)
- Very low cost of risk

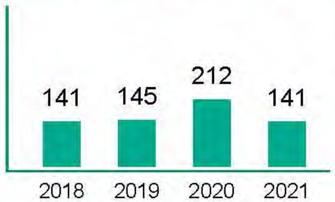
Europe Mediterranean

- €144m (-€292m vs. 2020)
- Strong decrease in the cost of risk

BancWest

- -€45m (-€368m vs. 2020)
- Releases of provisions on performing loans[1] and low level of provisioning on non-performing loans[2]

Personal Finance



- €1,314m (-683m vs. 2020)
- Cost of risk at a low level
- Reminder from 2020: impacts of provisions on performing loans[1] and of the new definition of default (4Q20)

1. Stages 1 & 2; 2. Stage 3

2021 – A solid financial structure

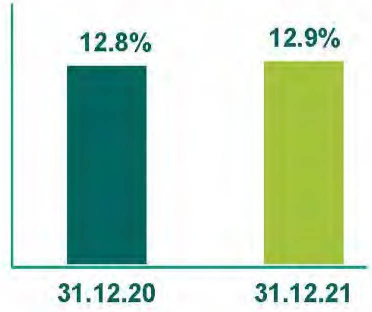
- **CET1 ratio: 12.9% as at 31.12.21[1] (+10 bps vs. 31.12.20)**
  - 2021 results, after taking into account a 50% pay-out ratio and the impact of the execution of the €900m share buyback programme in 4Q21: +50 bps
  - Increase in risk-weighted assets at constant scope and exchange rates[2]: -25 bps
  - Other impacts on the ratio, in particular due to the tapering of regulatory amendments related to the public health crisis[3]: -15 bps
  - 2022 prospect: Impacts related to the updating of models and regulation (-20 bps)[4] expected in 1Q22, offset by ordinary capital management by the end of 2022

- **Leverage ratio[5]: 4.1% as at 31.12.21**

- **Immediately available liquidity reserve: €452bn[6]**
  (€432bn as at 31.12.20): Room to manoeuvre >1 year in terms of wholesale funding

- **Liquidity Coverage Ratio: 143% as at 31.12.21**

CET1 ratio



Liquidity reserve (€bn)[6]

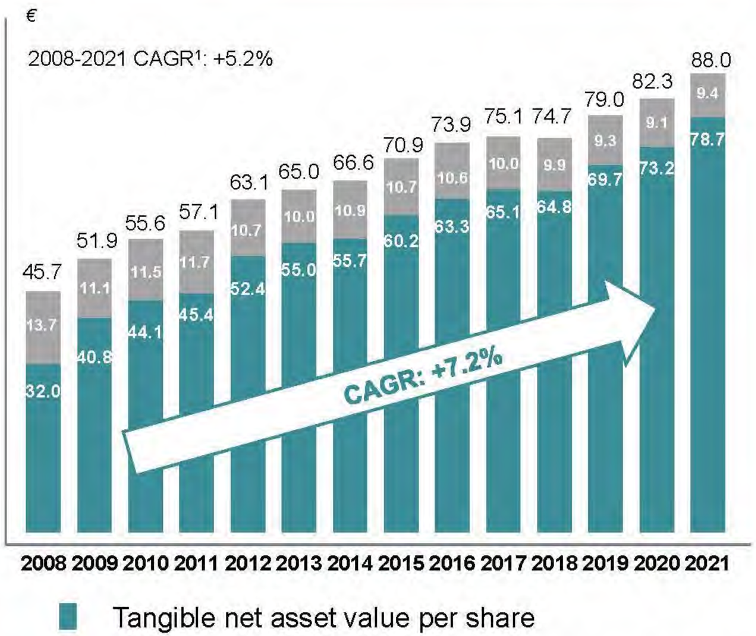
1. CRD4; including IFRS9 transitional arrangements; see slide 97; 2.Including impacts related to the updating of models and regulations; 3. IFRS9 transitional provisions and PVA aggregation factor (-10 bps) ; 4. In particular the application of the regulatory requirements related to Forex Risk in the banking book; 5. Calculated in accordance with Regulation (EU) 2019/876, without opting for the temporary exclusion related to deposits with Eurosystem central banks authorised by the ECB decision of 18 June 2021; 6. Liquid market assets or eligible assets in central banks (counterbalancing capacity), taking into account prudential standards, notably US standards, minus intra-day payment system needs

Continuous and strong value creation throughout the cycle

Pay-out ratio of 60%

Steady increase in net tangible book value per share: €78.7

+€5.5 (+7.4%) vs. 31.12.20



Increase in pay-out ratio in 2021

Pay-out ratio of 60%[2]

- **Total amount distributed: €5.4bn**
- **Dividend[2]: €3.67 per share**
  - Paid out in cash
  - 50% of net income[2]
  - Dividend yield: 5.8%[3]
- **Share buyback programme: €900m**
  - Executed between 1 November 2021 and 6 December 2021
  - 15.5m[4] shares cancelled on 31.12.2021
  - Equivalent to 10% of net income

1. Of net book value per share; 2. Subject to the approval of the General Meeting of 17 May 2022, detached on 23 May 2022, paid out on 25 May 2022; 3. Based on the share price of 31 January 2022 (€63.00); 4. See 7 December 2021 press release

A reinforced Internal Control Set-up

An even more solid control and compliance set-up and ongoing efforts in inserting a reinforced compliance culture into daily operations

- **Ongoing improvement of the operating model for combating money laundering and terrorism financing:**
  - A standards-based, risk-adjusted approach, with a risk management set-up shared between business lines and Compliance (know-your-client, reviewing unusual transactions, etc.)
  - Reinforced Group-level steering with regular reporting to monitoring and supervisory bodies
- **Ongoing reinforcement of set-up for complying with international financial sanctions:**
  - Broad dissemination of the procedures and intense centralisation, guaranteeing effective and consistent coverage of the surveillance perimeter
  - Continuous optimisation of cross-border transaction filtering tools and screening of relationship databases
- **Ongoing improvement of the anti-corruption framework with increased integration into the Group's operational processes**
- **Intensified on-line training programme:** compulsory programmes on financial security for all employees (Sanctions & Embargos, Combatting Money Laundering & Terrorism Financing), on combating corruption, and on professional ethics for all new employees
- **Ongoing missions of the General Inspection dedicated to insuring financial security within entities generating USD flows.** These successive missions have been conducted since the start of 2015 in the form of 18-month cycles. The first four cycles achieved a steady improvement in processing and audit mechanisms. The fifth cycle was begun last year and is proceeding at a good pace despite public health constraints. It is achieving results similar to those of previous cycles and is expected to be completed mid 2022.

The remediation plan agreed as part of the June 2014 comprehensive settlement with the US authorities is now mostly completed

An ambitious policy of engaging with society

Mobilisation by all business lines for sustainable finance

Financing a sustainable economy	**Net-Zero commitment** to strengthen and accelerate decarbonisation strategies, with the signing of the **NZBA**[1], **NZAOA**[1], and **NZAMi**[1] **#2 in green bonds worldwide** with €46,1bn[2] and **#1 in sustainable bonds issuance in € in EMEA** with €29.4bn[2] in 2021 **More than 40,000 trainings on sustainable development** have been completed in 2021
Biodiversity	**A publication on a public stance** on preserving biodiversity **A €4bn target in financing** contributing to the protection of biodiversity **An enhanced policy to prevent deforestation, particularly in Brazil**; BNP Paribas ranked #1 among 150 financial institutions by the NGO Global Canopy
Financial inclusion and Civic involvement	Signing of the **UN-promoted commitment to universal financial inclusion and financial health** **Development of green microfinance**: BNP Paribas selected in GEF's[3] call for projects (with a goal to **certify MFIs[4] that help their end-customers better adjust to climate change**) Three-year renewal of the Group's integration programme for refugees in Europe: **€1.5 million allocated in 2021 to 27 associations in 10 countries**

1. Net Zero Banking Alliance, Net Zero Asset Owner Alliance, Net Zero Asset Manager initiative; 2. Source: Dealogic as at 31.12.21; bookrunner; ranking in volume, apportioned amounts; 3. Global Environment Facility, based in Washington; 4. Microfinance institutions

BNP PARIBAS

GROUP RESULTS

DIVISION RESULTS

GROWTH, TECHNOLOGY & SUSTAINABILITY 2025

CONCLUSION

4Q21 DETAILED RESULTS

APPENDICES

Domestic Markets – 2021

Increase in activity, strong rise in results

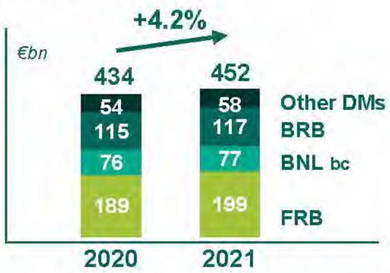
Very good business drive

- **Loans:** +4.2% vs. 2020, increase in all businesses, rise in individual and corporate loans
- **Deposits:** +8.6% vs. 2020, increase driven by the effects of the public health crisis on customer behaviour
- **172 million monthly connections** to the mobile apps[1] in 4Q21 (+25.4% vs. 4Q20), or a contact more than 25 times per month on average
- **Expansion in client acquisition with Hello bank![2] in Europe:** 3.1 million clients as at 31.12.2021 (+8.7% vs. 31.12.20)

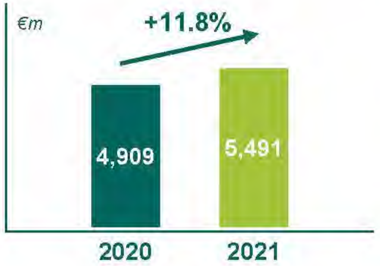
Sustained growth in financial savings

- **Increase in off-balance sheet savings:** +9.7% vs. 31.12.20; increase of 12.5% in mutual fund outstandings and 6.9% in life insurance vs. 31.12.20
- **Private banking:** very good net inflows of €7.7bn

Loans



Gross Operating Income[3]



Revenues[3]: €16,275m (+5.2% vs. 2020)

- Very good overall performance in the networks[4] (+3.2%), driven by the sharp rise in fees and the good performance of specialised subsidiaries despite the impact of low interest rates
- Strong increase at Arval (+19.5%), Leasing Solutions (+7.7%) and Nickel (+24.9%)

Operating expenses[3]: €10,784m (+2.0% vs. 2020)

- +0.7% in the networks[4]
- +8.1% in the specialised businesses in connection with their growth
- Very positive jaws effect (+ 3.1pts)

Pre-tax income[5]: €4,123m (+26.0% vs. 2020)

1. Scope: individuals, small business and private banking customers of DM networks or digital banks (including Germany) and Nickel, on average in 4Q; 2. Excluding Austria and Italy; 3. Including 100% of Private Banking, excluding PEL/CEL effects; 4. FRB, BDDB, BNL bc and including 100% of Private Banking; 5. Including 2/3 of Private Banking, excluding PEL/CEL effects

DM – French Retail Banking – 2021

Sustained business drive and strong growth in results

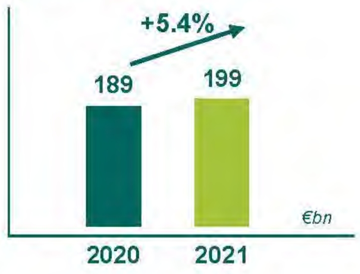
Acceleration in business drive throughout the year

- **Loans:** +5.4% vs. 2020, increase in loans, particularly to individual customers, with a dynamic mortgage loan production; acceleration late in the year in corporate loans
- **Deposits:** +8.2% vs. 2020, increase driven by the impact of the public health crisis on customer behaviour
- **Strong increase in payment and cash management fees** (+11.5% vs. 2020[1]), exceeding the level of 2019 (+5.3% vs. 2019[1])
- **Development of equity capital operations for small and mid-sized companies:** 8 IPOs in 2021, including 5 in greentech

Robust transformation of financial savings

- **Off-balance sheet savings:** +5.0% vs. 31.12.20, with almost €9.5bn (+41% vs. 2020) in gross life insurance inflows
- **Private Banking:** €122bn in assets under management as at 31.12.21 and strong net inflows (€4.2bn in 2021)

Loans



Fees[2]

Revenues[2]: €6,240m (+5.0% vs. 2020)

- Net interest income: +2.1%, driven by the good performance of specialised subsidiaries and by loan activity, despite the impact of low interest rates
- Fees: +8.6%, steep increase in all fees (+4.8% vs. 2019)

Operating expenses[2]: €4,551m (+1.4% vs. 2020)

- Very positive jaws effect (+3.6 pts)
- Ongoing impact of cost-optimisation measures

Pre-tax income[3]: €1,149m (+33.3% vs. 2020)

1.Scope: corporate customers; 2. Including 100% of Private Banking, excluding PEL/CEL effects; 3. Including 2/3 of Private Banking, excluding PEL/CEL effects

DM – BNL banca commerciale – 2021
Good business drive

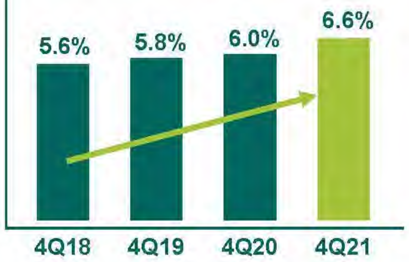
Growth in business activity

- **Loans:** +1.5% vs. 2020, +3.7% when excluding non-performing loans; improved market shares across all customer segments
- **Deposits:** +12.3% vs. 2020, growth across all customer segments
- **Card payments:** strong increase among individual customers in transaction numbers (+31% vs. 2020) and in volumes (+19% vs. 2020)

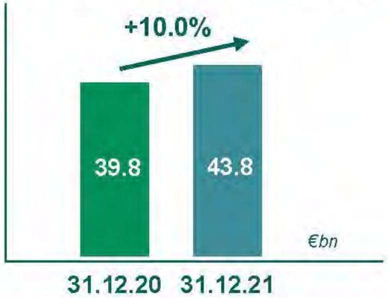
Strong momentum in fee growth, financial fees in particular

- **Growth in off-balance sheet savings:** +10.0% vs. 31.12.20, strong increase in mutual fund outstandings (+14.1% vs. 31.12.20) and continued increase in life insurance outstandings (+7.3% vs. 31.12.20)
- **Private banking:** very good net asset inflows of €2.2bn

Market share on the corporate segment (loans)[1]



Off-balance sheet savings
(Life insurance and mutual funds)



Revenues[2]: €2,680m (+0.3% vs. 2020)

- Net interest income: -4.9%, impact of the low-interest-rate environment partly offset by higher loan volumes
- Fees: +8.3%, strong increase in all fees

Operating expenses[2]: €1,781m (+2.0% vs. 2020)

- Increase driven mainly by the rise in taxes subject to IFRIC 21 and the economic recovery
- Ongoing effect of adaptation measures (the "Quota 100" retirement plan)

Pre-tax income[3]: €376m (+3.7% vs. 2020)

1. Source: Italian Banking Association, 4Q21 based on information available as of the end of November; 2. Including 100% of Italian Private Banking; 3. Including 2/3 of Italian Private Banking

DM – Belgian Retail Banking– 2021

Good level of activity and strong rise in results

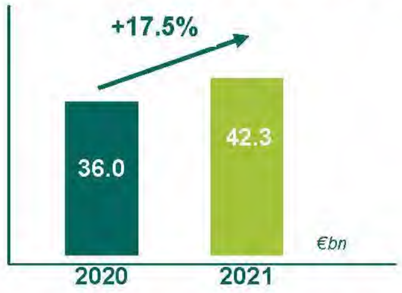
Continuation of the good business drive

- **Loans:** +2.4% vs. 2020, increase in all customer segments
- **Deposits:** +6.0% vs. 2020, increase in all customer segments
- **Acceleration in digital uses:** almost 65 million[1] monthly connections on the mobile apps (+42.9% vs. 4Q20)
- **Steady increase in off-balance sheet savings:** +11.3% vs. 31.12.20, driven in particular by the favourable trend in mutual fund outstandings

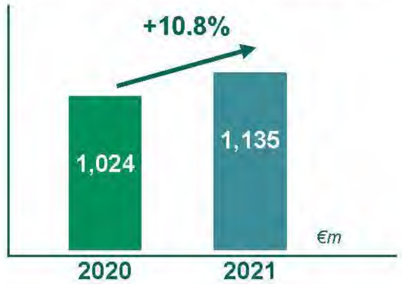
Set up of the new commercial partnership with bpost

- Closing in early January 2022 of the acquisition of the 50% of bpost Banque shares, not yet held, together with a 7-year partnership to distribute financial services within the network of post offices

Mutual fund outstandings



Gross Operating Income[2]



Revenues[2]: €3,509m (+2.2% vs. 2020)

- Net interest income: -1.7%[4], impact of the low-interest-rate environment partly offset by the strong contribution of specialised subsidiaries and growth in lending activities
- Fees: +12.0%, solid growth in all fees

Operating expenses[2]: €2,375m (-1.4% vs. 2020)

- Impact of cost-reduction measures and ongoing optimisation in the branch network
- Very positive jaws effect (+3.6 pts)

Pre-tax income[3]: €989m (+29.8% vs. 2020)

1. Scope: individual, small business and private banking customers (BNP Paribas Fortis and Hello Bank!) on average in 4Q; 2. Including 100% of Belgian Private Banking; 3. Including 2/3 of Belgian Private Banking; 4. Non-recurring impact from 3Q21

DM – Other Activities – 2021

Strong growth in results

Strong sales and marketing drive in all businesses

- **Arval:** very good performance driven by the expansion of the financed fleet (+6.2%[1] vs. 2020) and the increase in used car prices; partnership signed with Jaguar Land Rover in 9 European contries
- **Leasing Solutions:** +4.3%[2] increase in outstandings vs. 2020, with a robust production momentum (+8.4% vs. 2019)
- **Personal Investors:** strong increase in assets under management (+28.3% vs. 31.12.20) driven by good market performances, strong increase in the number of new clients in particular in Consorsbank in Germany (+14.9% vs. 2020)
- **Nickel:** ~2.4m accounts opened[3] (+26.6% vs. 31.12.20), > 7,100 points of sale (+18% vs. 31.12.20); further expansion in Spain (800 points of sale as at 31.12.21, vs. 72 at 31.12.20 reaching 2,000 account openings per month)
- **Luxembourg Retail Banking (LRB):** good increase in loans with improved margins, high production of mortgage loans and increase in fees

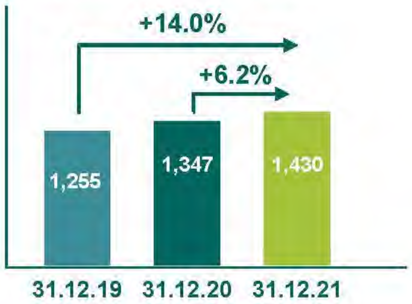
Revenues[4]: €3,846m (+12.1% vs. 2020)

- Strong growth in revenues, driven in particular by the very strong increase at Arval and the good performance of the other businesses, particularly Leasing Solutions

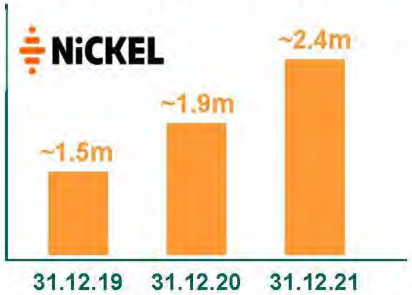
Operating expenses[4]: €2,078m (+8.1% vs. 2020)

- Increase driven by the expansion in activity
- Very positive jaws effect (+4.1 pts)

Arval financed fleet[1]



Nickel: number of accounts opened (in millions)[3]



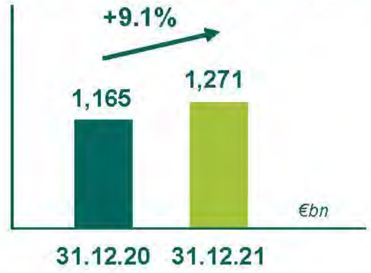
Pre-tax income[5]: €1,608m (+25.3% vs. 2020)

1. Average fleet in thousands of vehicles; 2. At constant scope and exchange rates; 3. Since inception, in France; 4 Including 100% of Private Banking in Luxembourg; 5. Including 2/3 of Private Banking in Luxembourg

International Financial Services – 2021
Strong rise in results

- **Good business drive in international retail networks and at Personal Finance**
  - **Increase in production at Personal Finance** (+11.5% vs. 2020) with the evolution in the public-health situation; sustained **development in partnerships**
  - **Very strong business drive in international retail networks**[1] and sustained increase in fees
  - Announcement on 20 December 2021 of the **sale of Bank of the West** to BMO Financial Group (transaction expected to close late 2022)[3]
- **Very good momentum in Wealth and Asset Management (WAM) and Insurance**
  - **Very strong net asset inflows** (+€58.5bn in 2021) and increase in assets under management (+9.1% vs. 31.12.20) on the back of favourable market trends and good management performances
  - **Good business drive in Insurance and continued rebound in Real Estate Services**

Assets under management[2]



Pre-tax income

Revenues: €15,751m (-1.2% vs. 2020)

- +1.7% at constant scope and exchange rates
- Increase in all business lines of WAM and Insurance
- Less favourable context overall for international retail networks[1] and Personal Finance

Operating expenses: €10,231m (+1.1% vs. 2020)

- +4.2% at constant scope and exchange rates
- Driven by activity growth and targeted initiatives

Pre-tax income: €4,620m (+35.0% vs. 2020)

- +37.6% at constant scope and exchange rates
- Sharp decrease in cost of risk

1. Europe-Mediterranean and BancWest; 2. Including distributed assets;
3. Subject to the usual suspensive conditions, including approval by the relevant antitrust and regulatory authorities; see press release of 20 December 2021

IFS – Personal Finance – 2021

Strong increase in results, driven by a lower cost of risk

Sustained business drive

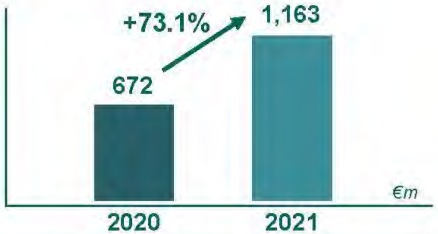
- **Increase in production** with the evolution of the public-health situation (+11.5% vs. 2020), supporting **growth in end of period loans outstanding** (+0.9% vs. 2020)
- **Average loans outstanding:** -1.0% vs. 2020, mitigation of the impact of lower production due to the public-health crisis (+0.6% between 4Q21 and 4Q20)

Strong momentum in developing partnerships

- **Strengthening of the partnership with Stellantis:** exclusive partner in Germany, Austria and the United Kingdom; €6bn increase in loans outstanding projected upon the closing of the deal[1]
- **Signing of an exclusive strategic partnership with Jaguar Land Rover in financing mobility in Europe** in cooperation with Arval and Insurance

Change in product portfolio

Pre-tax income



Revenues: €5,216m (-4.9% vs. 2020)	Operating expenses: €2,817m (+2.2% vs. 2020)	Pre-tax income: €1,163m (+73.1% vs. 2020)
• Decrease driven mainly by the impact of negative non-recurring items in 2H21, partly offset by higher production	• Investment and business development offset in part by an improvement in operating efficiency	• Decrease in cost of risk • Significant contribution of associates

1. *Closing of the deal projected in 1H23, subject to the usual authorisations, as well as prior disclosures and consulting with the personnel representatives concerned*

IFS – Europe-Mediterranean – 2021

Confirmation of a good business momentum

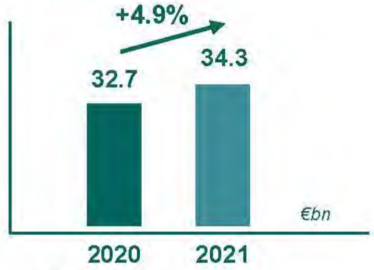
Strong business activity

- **Loans:** +4.9%[1] vs. 2020, very good loan growth across all customer segments
- **Acceleration in loan production** (+24.1%[2] vs. 2020) during the year in all countries, both for individuals and corporates
- **Deposits:** +7.5%[1] vs. 2020, up in all regions

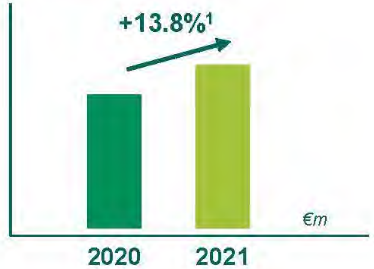
Development of the commercial offering

- **Momentum in fee growth** confirmed over the full year(+13.8%[1] vs. 2020), with 4Q21 exceeding by far the 2019 level (+20.8%[1] vs. 4T19)
- **Sharp increase in active digital customers:** 4.3 millions (+16.5% vs. 31.12.20)

Loans[1]



Fees



Revenues[3]: €1,941m (-6.3%[1] vs. 2020)

- Stable revenues at constant scope and exchange rates excluding a non-recurring item in 4Q21 in Poland

Operating expenses[3]: €1,604m (+5.3%[1] vs. 2020)

- Increase driven by high wage drift and targeted initiatives

Pre-tax income[4]: €366m (+12.4%[1] vs. 2020)

- Strong decrease in cost of risk

1. At constant scope and exchange rates; 2. At constant exchange rates, including loans to individuals and corporates in Turkey, Poland, Ukraine and Morocco; 3. Including 100% of Private Banking in Turkey and Poland; 4. Including 2/3 of Private Banking in Turkey and Poland

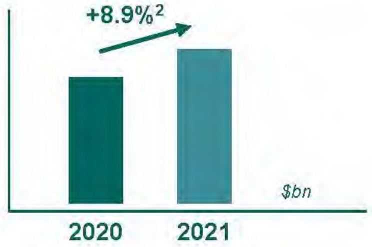
BNP PARIBAS The bank for a changing world

IFS – BancWest – 2021

Sustained business drive and strong increase in result

- **Dynamic business drive in lending business**
  - **Good level of loan production**[1] (+8.9%[2] vs. 2020), with in particular a very good drive in loan to individuals (+30.3%[2] vs. 2020) and SMEs (+5.5%[2] vs. 2020)
  - **Loans:** -6.9%[2] vs. 2020, decrease due in particular to the effects of economic stimulus measures and the discontinuation of a business in 2020
- **Development of deposits and financial savings with a recognised quality of service**
  - **Deposits:** +10.0%[2] vs. 2020, strong increase in customer deposits[3] (+10.5%[2] vs. 2020)
  - **Private Banking:** $19.5bn in assets under management as at 31.12.21 (+16.3%[2] vs. 31.12.20)
  - **#1 in overall customer satisfaction**[4] (individuals and SMEs) in California
- **Announcement on 20 December 2021 of the sale of Bank of the West to BMO Financial Group** (closing of the transaction expected late 2022[5])

Loan production excluding PPP loans[1]



Pre-tax income[7]

Revenues[6]**: €2,426m (+2.1%**[2] **vs. 2020)**

- Growth driven by the increase in fees; stable net interest income
- Reminder: overall positive impact of 2021 non recurring items

Operating expenses[6]**: €1,695m (+1.9%**[2] **vs. 2020)**

- Increase in connection with the business activity
- Positive jaws effect (+0.3 pt)

Pre-tax income[7]**: €771m (x2**[2] **vs. 2020)**

- Strong decrease in the cost of risk

1. Production of loans to individuals, production and flows in SMEs and corporates excluding Paycheck Protection Program loans; 2. At constant scope and exchange rates (figures at historical scope and exchange rates in the appendices); 3. Deposits excluding treasury activities; 4. Source: JD Power's Retail and SME Banking Studies in 2021; 5. Upon customary condition precedents, including the approval of the relevant antitrust and regulatory authorities; 6. Including 100% of Private Banking in the United States; 7. Including 2/3 of Private Banking in the US

IFS – Insurance and WAM[1] – Asset inflows and AuM – 2021

Very good net asset inflows and favourable performance effect

Assets under management: €1,271bn as at 31.12.21

- +9.1% vs. 31.12.20
- **Performance effect:** Increase due to positive market trends and good management performances: +€59.4bn
- **Favourable foreign exchange effect:** +€15.9bn
- **Others:** -€27.8bn, negative scope effect mainly due to the sale of a stake by BNP Paribas Asset Management in 1Q21

Net asset inflows: +€58.5bn in 2021

- **Wealth Management:** very good net asset inflows in Europe, particularly in Germany, France and Italy, as well as in Asia
- **Asset Management:** very strong net asset inflows in medium- and long-term vehicles (in particular in thematic funds) and sharp rebound in net asset inflows into monetary vehicles in 4Q21
- **Insurance:** very good net asset inflows, in particular in France, Italy and Luxembourg and particularly on unit-linked products

Change in assets under management [2]

Assets under management[2] as at 31.12.21

1. WAM: Wealth and Asset Management, i.e. Asset Management, Wealth Management and Real Estate Services; 2. Including distributed assets; 3. Assets under management of Real Estate Services Management: €30bn

IFS – Insurance – 2021

Strong business drive

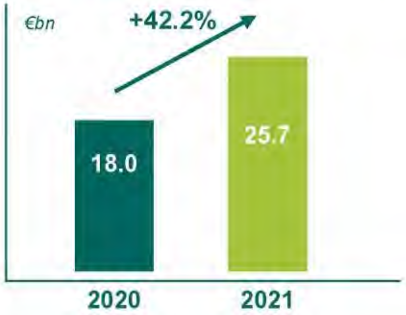
Continued pick-up in activity driven by the diversification of the model

- **Sustained performance in Savings** both in France and internationally, particularly in Italy and Luxembourg; gross asset inflows rose sharply (+42.2% vs. 2020) with unit-linked policies accounting for the vast majority of net asset inflows
- **Increase in Protection:** further growth in France; international growth in Latin America and Asia in particular

Continued development of the partnership model

- **Renewal of a long-term global agreement with Volkswagen Financial Services** to provide insurance solutions in 16 countries
- **Joint venture**[1] set up for multi-brand maintenance contracts as part of Volkswagen Financial Services' expansion in long-term fleet leasing in Europe

Gross asset inflows in Savings



Climate engagement

THE NET-ZERO ASSET OWNER ALLIANCE — *September 2021*

Climate Action 100+ — *October 2021*

Revenues: €2,827m (+3.7% vs. 2020)	**Operating expenses: €1,536m (+5.0% vs. 2020)**
Increase driven by Savings; good growth in Protection despite the impact of claims	Driven by the rebound in business activity and targeted projects

Pre-tax income: €1,368m (-1.0% vs. 2020)

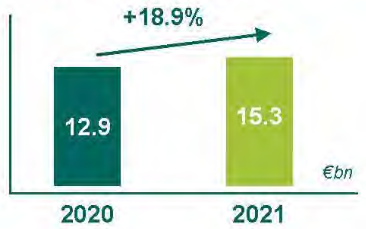
1. Upon customary condition precedents, including the approval of the relevant antitrust authorities

IFS – Wealth and Asset Management[1] – 2021

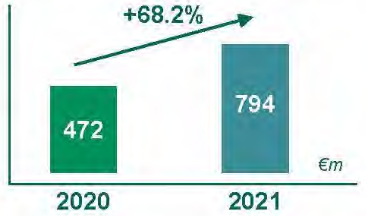
Very good performance

- **Wealth Management**
  - **Very good net asset inflows**, up vs. 2020
  - **Growth in financial fees** driven by the increase in assets under management and transaction volumes
- **Asset Management**
  - **Very good net asset inflows** (+€34.7bn), mainly into medium- and long-term vehicles
  - Development and widening of the **responsible and sustainable investment**[2] range and continued growth in private assets
- **Real Estate**
  - **Ongoing recovery** in business activity, in particular with a marked rebound in Advisory in France, the UK and Germany

Wealth Management net asset inflows



Strong increase in GOI



Revenues: €3,422m (+14.7% vs. 2020)

- Increase in all businesses
- Wealth Management: increase in fees and revenues related to loan activity
- Asset Management: very steep increase driven by gains in net asset inflows and performance effect
- Real Estate: strong increase, particularly in Advisory

Operating expenses: €2,628m (+4.7% vs. 2020)

- In connection with growth activity in all businesses
- Positive jaws effect in all businesses and very positive in Asset Management and Real Estate (+10.1 pts overall)

Pre-tax income: €951m (+63.1% vs. 2020)

- Strong increase in all businesses, in particular Asset Management and Real Estate

1. Asset Management, Wealth Management and Real Estate Services; 2. As defined by SFDR Articles 8 and 9

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Corporate & Institutional Banking – 2021

Increase in activity and sharp rise in results

Very good activity level in all businesses

- **Financing of the economy:** increase in total volume of transactions led compared with 2020 high level, driven by equity issuance[1]
- **Markets:** normalisation of client activity on forex, credit and rate markets after exceptional 2020 market circumstances; strong client activity in equities and prime services
- **Securities services:** steady increase in assets and high level of transaction volumes throughout the year

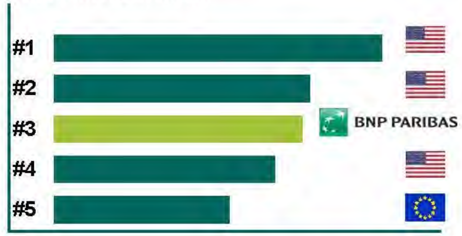
Two strategic deals completed in 2021

- Exane fully consolidated as of 1 July 2021
- Transfer of systems, clients and key staff from Deutsche Bank's prime brokerage and electronic execution completed on schedule, in 2021

Growth in revenues

#3 CIB in EMEA[2]

9M21 revenues in €bn



Revenues: €14,236m (+3.4% vs. a high 2020 base, +17.8% vs. 2019)

- +4.1% vs. 2020 at constant scope and exchange rates
- Strong rise in Corporate Banking (+7.6% vs. 2020)
- Good performance of Global Markets (stable vs. very high 2020 base, +22.4% vs. 2019)
- Strong increase in Securities Services (+5.1% vs. 2020)

Operating expenses: €9,400m (+5.4% vs. 2020)

- +4.0% vs. 2020 at constant scope and exchange rates
- Development of activity and targeted investments
- Impact of taxes subject to IFRIC 21 (+€95m vs. 2020)

Pre-tax income: €4,721m (+36.7% vs. 2020)

- +47.2% vs. 2019
- Steep decrease in the cost of risk

1. Source: Dealogic as at 31.12.21, issuances led on the syndicated loan, bond and equity markets; bookrunner in volume, apportioned amount;
2. Source: Coalition Greenwich Competitor Analytics. Ranking includes the banks of the Coalition Index. EMEA: Europe, Middle East and Africa

CIB – Corporate Banking – 2021

Very good business drive and strong growth in activity

Further increase in business volumes

- **Increase in financing raised for clients** worldwide on the syndicated loan, bond and equity markets (>€410bn, +2.8% vs. 2020)[1]
- **Steady increase in loan volumes** since the late 2020 trough (€161bn in 4Q21; +9.2% vs. 4Q20[2]),
- **Slight decrease in deposits** (€185bn in 4Q21; -1.5% vs. 4Q20[2]), gradual return to normal from the crisis-driven 3Q20 peak

Stronger franchises and consolidated leadership

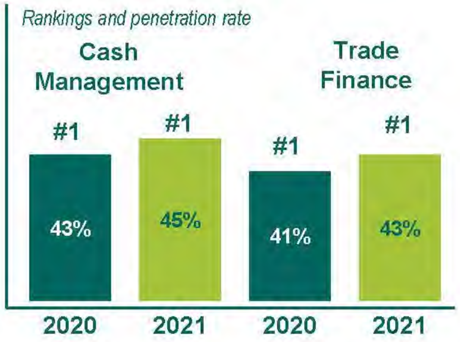
- #1 in corporate banking with large corporates in Europe, with a strengthened leadership position in cash management and trade finance[4]
- #1 in all bond issuance, #1 in syndicated loans, and #1 in securitisation in EMEA[3]
- Top European player in ECM in EMEA, with very strong growth volumes led (+46% vs. 2020)[3]

Revenues: €5,087m
(+7.6% vs. 2020 and +18.0% vs. 2019)

- +8.7% vs. 2020 at constant scope and exchange rates
- Growth in all regions
- Strong increase in the contribution of the Capital Markets platform (+9.6% vs. 2020)
- Sustained increase in trade finance and cash management (+10.6% vs. 2020)

Growth in revenues

European rankings[4]



1. Source: Dealogic as at 31.12.21, bookrunner in volume, apportioned amounts; 2. Quarterly average outstandings; 3. Source Dealogic as at 31.12.21, ECM: Equity Capital Market, EMEA: Europe, Middle East and Africa; 4. Greenwich Share Leaders, 2020 and preliminary version 2021

CIB – Global Markets – 2021

Good level of revenues sustained by diversification

Strategic development of platforms

- **Equity:** BNP Paribas Exane fully consolidated, #1 in European equity research for the fifth consecutive year[2]
- **Prime Services:** platform fully operational and gradual transfer of Deutsche Bank's prime brokerage clients completed in 4Q21

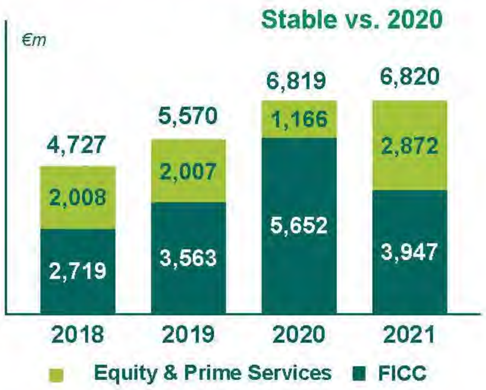
Client activity sustained by Equities

- **Equity markets:** sustained activity in derivatives, particularly in structured products, and good growth in prime brokerage
- **Rates, currencies & commodities:** less favourable context, in particular in rates and currencies vs. the 2020 exceptional market circumstances; good level of business in commodities
- **Primary markets:** good level of global bond volumes led (#8 worldwide, gain of 2 places in 2021[3])

Revenues: €6,820m
(stable vs. very high 2020 base and +22.4% vs. 2019)

- -0.2% vs. 2020 at constant scope and exchange rates
- FICC (-30.2% vs. 2020; +10.8% vs. 2019): normalisation at a good level vs. a very high 2020 base, in particular on rates and, a more challenging context in 4Q21
- Equity & Prime Services (x2.5 vs. 2020; +43.1% vs. 2019): strong increase in derivatives; good contribution from BNP Paribas Exane in 2H21 (~€190m); very good momentum in prime brokerage

Growth in revenues



Leadership in sustainable finance

- **Sustainable bonds:** #1 EMEA and #2 worldwide[3]
- **Green bonds:** #1 in EMEA and #2 worldwide[3]
- **World's Best Bank for Sustainable Finance[4]**

1. Transaction closed on 13 July 2021 after the necessary regulatory approvals; 2. "Developed Europe Research", Institutional Investors 2021; 3. Source: Dealogic as at 31.12.21, bookrunner in volume, apportioned amounts; 4. Source: Euromoney's 2021 Awards

CIB – Securities Services – 2021

Sustained and steady growth of the platform

Very strong business drive

- Progressive onboardings of new clients, including a very significant mandate (>€400bn in assets) in the euro zone
- Closing of the acquisition of the depositary bank business of Banco Sabadell (€21bn in assets) in 2Q21
- Continued business development, in particular in targeted sectors such as Private Capital and financial intermediaries
- Leadership recognised by *The Banker* as Transaction Bank of the Year for Securities Services

Volumes at record levels

- Increase in average assets (€14.4tn; +15.9% vs. 2020), driven by growth in assets and market performances
- Increase in transaction volumes: +10.4% vs. 2020

Revenues: €2,329m
(+5.1% vs. 2020)

- +7.4% at constant scope and exchange rates[2]
- Driven by higher assets and good level of fees on transactions

Assets under custody (AuC) and under administration (AuA)

Transaction volumes

1. Assets under administration, 2019-2020 proforma (AuA excluding assets that are merely deposited); 2. Reminder: fund distribution activity transferred to Allfunds

GROWTH, TECHNOLOGY & SUSTAINABILITY 2025

A distinctive model positioned to perform and to deliver in all environments

Client-centric
approach powered by flow businesses & strong risk management

Integrated
Set-up with complete coverage of client needs via leading franchises & global connectivity

Diversified
by client segments, regions, sectors and businesses

At scale
with powerful execution strengthened by digitalisation and new technologies

Stronger engagement with clients, leading to a deepening of relationships

Ability to accompany clients in their development and growth journey

Stronger earnings stability in all operating environments

Development of volumes and growth at marginal costs

Diversification, scale, completeness, leading positions & global approach give BNP Paribas a clear competitive advantage and a unique positioning

GTS 2025

A European leader uniquely positioned on the back of powerful platforms & strong customer franchises

Leading European platforms in value-added businesses…

Leader in flow businesses

Leader in Europe in Cash Management[1]

Leader in Europe in trade finance[1]

1st Factor network in Europe[2]

Leader in Corporate & Institutional Banking

Top 3 & 1st European CIB in EMEA[6]

Leader in Capital Markets Businesses in EMEA[7]

1st in Securities Services in EMEA[8]

Leader in Investment & Protection Services

Insurance: CPI worldwide leader[3]

Leader in Sustainable Investment[4]

Leader in Wealth Management in the Eurozone[5]

Leader in specialized businesses

Leader in Europe for full-service leasing (Arval)[9]

Top 3 Leasing company in Europe (Leasing Solutions)[10]

Leading player in consumer credit in Europe

Synergies & pooled capabilities

Organic growth at marginal cost

…strategically aligned to best serve clients & partners on a long-term basis

Strong client franchises in Corporate & Private Banking segments

- Leading positions & high penetration rates in Europe, quality positioning internationally
- Clients & partners favorably positioned in their sector

Segmented approach & adapted operating model for individual clients

- 20% of our clients across networks in Europe are mass affluent
- Nickel, leader in "neobanking"[11] in France, expanding in Europe

Strong specialised businesses and platforms

- Fully integrated to develop cross-selling opportunities
- Diversified distribution channels with strong ability to partner in well-positioned sectors

Increased market shares & penetration rates

Maximum benefit of the integrated model

1. Greenwich Share Leaders, 2021; 2. Factors Chain International Marvet Survey 2020; 3. CPI : Credit Protection Insurance, finaccord 2021; 4. #1 European sustainable thematic manager, Source: Broadridge; 5. Private Banker International 2021 winners – Private Banker International Summit and Awards; 6. Source: Coalition Greenwich Competitor Analytics. Ranking includes the banks of the Coalition Index. EMEA: Europe, Middle East and Africa; 7. Dealogic as at 31.12.21; 8. Coalition CIB Index Banks ; 9. Frost & Sullivan, Flotte Full Service Leasing 2020; 10. Asset Finance Europe 2021, Alfa System; 11. « Neo-bank » of the year 2021 prize awarded by the France Innovation division – NB : Nickel does not have the status of a credit institution

BNP PARIBAS

The bank for a changing world

GTS 2025

A diversified model creating bridges while sustaining growth & resilience

Strong focus on businesses and client franchises with leading positions

	CIB	cpbs		IPS
	Corporate & Institutional Banking	Commercial, Personal Banking and Services[1] — Commercial & Personal Banking[1]	Commercial, Personal Banking and Services[1] — Specialised Businesses	Investment & Protection Services
Revenues 2021	31% €14bn	37% €17bn	18% €9bn	14% €6bn
Operating Income 2021	35% €4.6bn	29% €3.8bn	19% €2.6bn	17% €2.3bn

Balanced between Corporates & Institutionals
- Large Corporates
- Institutionals

Optimised & segmented client coverage
- MidCaps & SMEs
- Private Banking
- Affluent / Mass Market

Leading & diversified positions
- Personal Finance
- Arval & Leasing Solutions
- New Digital Businesses[2]

Strong positions in asset-gathering
- Insurance
- Wealth Management
- Asset Management & Real Estate[3]

Enhanced proximity with clients and global connectivity

Strong acquisition & growth engines with international footprint

1.Including Bank of the West and 100% of Private Banking in Commercial & Personal Banking in the Eurozone, Europe-Mediterranean and the United States; 2. Including Personal Investors; 3. Including Principal Investments

BNP PARIBAS The bank for a changing world

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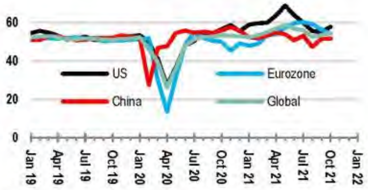
BNP Paribas' distinctive model has sustained its development and is fully prepared to continue to grow

GTS 2025

Despite the shock of the public health crisis and an adverse environment…

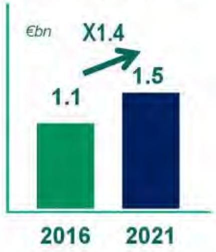
Adaptation to low interest rate environment

Covid-19 crisis
(PMI composite[1])



Strong increase in deposits

Increase in bank levies (IFRIC 21[2])



…main 2020 targets were achieved in 2021 with only a one-year shift

CET1	Target: 12%	31.12.21: 12.9%
ROTE	Target[3]: 10%	2021: 10%
Pay-out ratio	Target : 50%	2021: 60%[4]

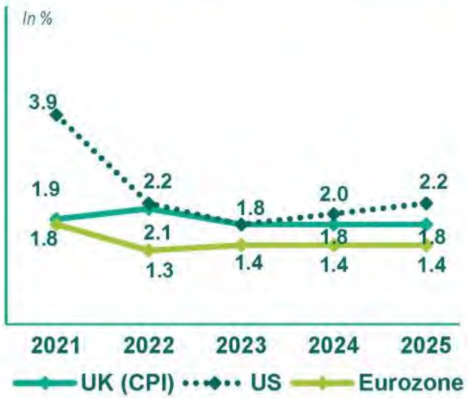
1. Trend in economic activity, source: Markit, BNP Paribas; 2. Taxes and contributions based on the application of IFRIC 21 "Taxes", including the contribution to the Single Resolution Fund; 3. As revised in 2019 in a context of dropping interest rates, and a lower-for-longer interest rate environment; 4.Including the €900M share buyback program executed in 4Q21 and subject to the approval of the Annual General Meeting on 17 May 2022

BNP Paribas will continue to benefit from its distinctive model in a context of economic recovery with still some short-term pressures

Economic normalisation post-2021 rebound
Conservative assumption of a limited rise in interest rates

GDP growth (%)[1]: normalisation after the 2021 rebound

Inflation [1]: contained & steady in Europe



Interest rates [1]: limited rise in the period up to 2025

A scenario based on assumptions opening additional growth potential

1. Internal assumptions used for the plan

Growth, Technology & Sustainability 2025
Uniquely positioned to deliver profitable growth

Leverage the strength of the leading platforms in Europe…	…strategically aligned to serve clients & partners…	…with the full benefit of the integrated & transformed operating model
Technology & industrialisation at the heart of the model	Deployment of sustainable finance and ESG at scale	Development of employees potential & engagement

Foster organic growth in a disciplined manner

Gain market shares at marginal cost

Create & develop new opportunities

Generate substantial economies of scale

Revenue growth > Cost growth

Revenue growth > RWA growth[1]

ROTE 2025 > 11%[2]

1. Risk-weighted-assets, Basel 3 (CRR2) fully loaded; 2. Return on Tangible Equity, Basel 3 finalised (CRR3) fully loaded

BNP Paribas' ambitions for 2025

2022-2025 financial objectives in brief

Pursue an ambitious and disciplined growth

Revenues	CAGR 2021-2025[1] >+3.5%
ROTE[2]	2025 >11% Basel 3 finalised (CRR3) fully loaded
CET1	2024: 12.9% Basel 3 (CRR2) fully loaded; 2025: 12.0% Basel 3 finalised (CRR3) fully loaded
Jaws effect	Average 21-25[3] >+2.0 pts
RWA	CAGR 2021-2025[1] ~+3,0% Basel 3 (CRR2) fully loaded
Pay-out	60% With a minimum of 50% in cash[4]

- **Transformation & investments** driven by business lines **on a self-funded basis**
- **Ramp-up of SRF** (Single Resolution Fund) **completed as of 2023** & expected **stabilization of similar contribution** to local levies **at €200m per year** from 2024

1. At constant perimeter (including or excluding Bank of the West) ; 2. Return on Tangible Equity; 3. CAGR 21-25 Revenues minus CAGR 21-25 Operating Expenses ; 4. Subject to the approval of the Annual General Meeting;

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Commercial, Personal Banking and Services - 2025 vision

Performing and Nimble Bank & Services ,Trusted Companions, for & beyond banking, in the best interests of customers & society

Further improvement in recommendation from our customers & employees

A client-centric organisation powered by agile ways of working and empowered teams enriched by more diverse profiles

An industrialised & resilient operating model

E/E simplification & industrialisation of processes powered by digitalisation & new technologies

Optimisation through **'Make, Buy, Share'** approach

Reliability and security

Further development of **remote working**

CLIENTS & EMPLOYEES

A simplified and broadened products & services offering

Innovative solutions enriched **for & beyond banking**

Enrich & develop our offering **in transaction banking & innovative payments**

Accelerate transformation of deposits into **savings**

Sustainability: new business models & broadened offering

Digitalised & enhanced customer journeys

Cross business & revenue synergies

A client relationship supported by a new balance between Human & Digital

An Enriched digital experience (conversational, selfcare & remote sales)

A Relationship Manager as a **trusted companion**, powered by enhanced expertise & digital tools

Commercial set-up and service models adapted to client value

Omnichannel & personalised customer relationship powered by AI and tech

A shared vision to support business lines' specific growth ambitions

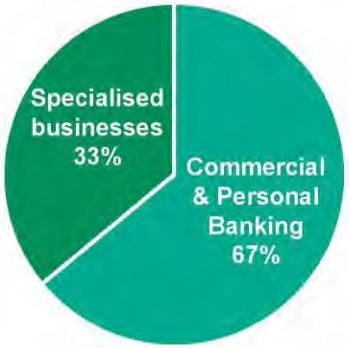
A successful & ongoing transformation paving the way for further optimisation

Pooled expertise, platforms & IT assets to accelerate and unlock synergies

Commercial, Personal Banking and Services - 2025 strategic plan

A clear path for growth

Accelerating the transformation, leveraging on the strengths & leading positions to build a stronger model and respond to headwinds



Revenues breakdown as of 2021

- **Accelerate the strong profitable growth of our Specialised businesses**
- **Strengthen our leading positions in the Corporate and Private Banking segments in Europe**
- **Engage a strategic repositionning of retail activities through increased segmentation & changes in the operating model**
- **Ongoing efficiencies enabling to reduce costs & finance new initiatives**

2025 targets[1]

Revenues: CAGR 21-25 ~+5%

- **Double-digit growth in fee generation**
- **Disciplined growth in loans outstanding** CAGR 21-25: ~+5%
- **Conservative assumptions on interest rates**

Average jaws effect 21-25[2] ~+3 pts

RONE growth 21-25[3] >+3.5 pts

1. Excluding Bank of the West and including 100% of Private Banking in Commercial & Personal Banking in the Eurozone, Europe Mediterranean; 2. CAGR 21-25 Revenues minus CAGR 21-25 Operating Expenses; 3. Return on Notional Equity; Basel 3 (CRR2) fully loaded

GTS 2025

Investment & Protection Services - 2025 vision

Become a reference European player in protection, savings and sustainable investments

Full-fledged offering and distribution network

- Widened range & complete suite of solutions and geographical coverage
- Fully activated Private Assets franchise
- Increased distribution through Group's networks and external partnerships, including new players & platforms

Consolidated leadership in sustainability

- A trusted Sustainability advisor, a reference in methodology & stewardship
- A "best-in class" range of Sustainability services & products
- A pioneer in Real Estate with positive impact (developing, servicing & managing spaces) to create the new standards of sustainable urban planning

Digital, agile, efficient and tech-savvy businesses

- Seamless customer journeys for savings products and services implemented with Group's networks
- "Plug & play" product offering deployed to third-party partners through APIs
- Data from all touch points leveraged to design value-adding & innovative product offerings
- Largely automated processes & efficient organisations enabling self funded tech transformation

BNP PARIBAS CARDIF
The insurer for a changing world

The multi-partnerships reference insurer in Savings & Protection

BNP PARIBAS WEALTH MANAGEMENT

The reference Private Bank for Financial Savings in Europe
The preferred bank for Entrepreneurs & Families across Europe & Asia

BNP PARIBAS ASSET MANAGEMENT

The European sustainable asset manager of reference

BNP PARIBAS REAL ESTATE

The European real estate services multi specialist with differentiated pockets of excellence

GTS 2025

Investment & Protection Services - 2025 Strategic plan

Foster growth across Business Lines, through enhanced solutions to clients & distributors

3 strategic pillars to strengthen positions and capture new growth

Accelerate in **Financial Savings**
- From a transactional approach to a holistic & systematic support of client needs
- "Best of breed" between strong human relationships and digital processes & channels

Capture growth in **Private Assets**
- A transversal franchise leveraging on BNPP[1] expertise & assets & meeting investors needs

Strengthen leadership in **Sustainability**
- Build differentiated product and service capabilities to support clients in their ambitions
- Further integrate ESG[2] approaches

4 key levers to unleash the full potential of the integrated model and platforms

- Make the most of **Integrated model**
- Move to the next level in **digitalisation, Data & AI**
- Keep deploying **New ways of working**
- Keep optimizing **Operating model**

2025 targets[3]

Revenues: CAGR 21-25 ~+4.5%

- **Sustained growth in Assets Under Management** CAGR 21-25: ~+6%

Average jaws effect 21-25[5] ~+1.5 pts

RONE growth[6] 21-25 >+6.5 pts

- **Convergence of Insurance PBT under IFRS 4 & IFRS 17 in 2025**

1. Leveraging particularly Principal Investments integrated in the IPS scope; 2. Environmental, Social and Governance; 3. Excluding Bank of the West; 4. Wealth Management, Asset Management, Real Estate, Principal Investment; 5.CAGR 21-25 on revenues minus CAGR 21-25 on Operating Expenses; 6. Return on notional Equity, Basel 3 (CRR2) fully loaded

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Corporate & Institutional Banking – 2025 Vision

Be the Europe-based preferred partner for clients for the long-term

Building on BNP Paribas' integrated model, tech platforms and sustainability leadership

VISION

The first Europe-based among global Tier 1 CIBs, trusted advisor in Sustainability

- **Consolidate Top 3 position in EMEA**
- Bank of reference for EMEA clients across the 3 regions
- European bank of reference for American & Asian clients
- Leader in Sustainability and technological platforms

STRATEGY

Pursue our strategy more relevant than ever

- Leveraging on the diversified and integrated model of the Bank
- Providing the bridge between corporate and institutional clients
- Gaining market shares as market further consolidates

KEY LEVERS & INITIATIVES

Core assets	Pursue & deepen	Transforming initiatives
• #1 go-to partner for ESG[1] transition • Tech platforms at the next level	• Operating model & efficiency • Integrated model	• Building a strong Equity House • Cross-regional acceleration

2025 roadmap

Deliver the full potential of our distinctive integrated model

- **Above-market increase in revenues**
- **Positive jaws effect**
- **Continuous improvement of financial resources**

Revenue growth >RWA[2] growth

One step further in the continuity of our long-term ambition

1. Environemental, Social and Governance
2. Risk-Weigthed Assets; Basel 3 (CRR2) fully loaded

BNP PARIBAS The bank for a changing world

Corporate & Institutional Banking – 2025 Strategic plan

A CIB at scale, building on BNP Paribas' strengths, delivering strong profitability

Build on core assets

#1 go-to partner for ESG transition
- Low Carbon Transition Group
- NZBA / PACTA[1] ambition
- ESG solutions across businesses

Tech platforms at the next level
- Next level Client platforms
- Data & AI for automation & insights
- New business models (e.g. digital assets)

Pursue and deepen on key structural levers

Operating model and efficiency
- IT platforms and industrialisation
- Smart sourcing and mutualisation
- Next ways of working

Full potential of the integrated model
- Global Capital Markets roll-out
- Next level cooperation with Specialised businesses, Wealth & Asset Management, Cardif

Step-up with key transforming initiatives

Strong Equity House
- Full-fledged Global Equities
- Global investors & Private Capital acceleration
- Sectors, Innovative companies and Advisory

Cross-regional acceleration
- Cross-regional partner for multinational corporations
- Global Transaction Banking for all BNPP clients
- Platforms deployed at global scale

2025 targets

Revenues: CAGR 21-25 ~+3%

Average Jaws effect 21-25[2] ~+2 pts

RONE Growth[3] 21-25 >+3 pts

1. NZBA: Net Zero Banking Alliance, PACTA: Paris Agreement Capital Transition assessment; 2. CAGR 21-25 Revenues minus CAGR 21-25 Operating Expenses; 3. Return on Notional Equity; Basel 3 (CRR2) fully loaded

BNP PARIBAS The bank for a changing world

Technology & industrialisation, key pillars & cornerstones of operational efficiency improvement

Digitalisation of processes

Other levers:
- optimisation of the set-up
- ambition in procurement
- commercial efficiency & digitalisation of the customer relationship
- management culture

Standardisation & automation

Economies of scale

Sourcing

Investment control

Efficiencies

Important levers, successfully deployed at BNP Paribas, contributing to operational efficiency and enhanced client & employee experience

C/I ratio

Net Cost savings

Large digitalisation of client interactions[1]
x2 at CIB[1]
x3 at Domestic Markets[1]

Intensive usage of AI
52% of use cases dedicated to operational efficiency

"Make / Buy / Share" strategy
Service centers on pooled technology
Unified payment factories
Pooling of ATM networks

Gradual deployment of smart sourcing
18,300 FTEs at the end 2021[2]

1. On CIB: montlhy connexions to Centric between 2016 and 2021, On DM: monthly connections on average in 4Q21 vs 4Q17; scope: individual, small business & private banking customers of DM networks or digital banks (incl. Germany) and Nickel- on avergae in 4Q; 2. Shared Service Centers (Portugal, India and Canada)

Technology & industrialisation, key pillars & cornerstones of operational efficiency improvement

- **Positive jaws effects through 2021-2025 period**

Average Jaws effect 2021-2025[1] >+2%

- **Business transformation & related investments a self-funded by business lines**

- **Significant improvement in cost / income ratio in all divisions**

Extensive use of AI, data and robotics

Strong development in the secure use of cloud technologies

Broad APIsation of the information system

Smart sourcing & roll-out of service centers

Amplification of the use of the "Make / Buy / Share" strategy

Accelerated convergence of European technological platforms

Stable envelope at Group level to cover IT reinforcement, adaptation and restructuration costs
(€400m yearly average) offset by capital gains

1. CAGR 21-25 Revenues minus CAGR 21-25 Operating Expenses ;
2. Excluding Bank of the West and including 100% of Private Banking in the Commercial & Personal Banking in the Eurozone, Europe Mediterranean; 3. Excluding Bank of the West

Sustainable finance & ESG[1] – 2025 strategic plan
Accelerating on the implementation of our commitments

3 strategic pillars

Aligning our portfolios with our carbon neutrality commitment

- Trajectory for a **reduction in CO2 emissions corresponding to financing** of the sectors with the highest levels of emissions (NZBA)
- **Aligning the objectives of our business lines** with shared objectives by sectors taking into account client transition

➔ **New commitment and an alignment report** to be published in 1Q22

➔ **Publication of financed emissions** (scope 3) in late 2022

Engaging with clients to support them in the transition towards a sustainable and low-carbon economy

- **Mobilisation of the integrated model and all business lines** in support of clients
- **Low Carbon Transition Group**, an organisation of 250 professionals dedicated to support clients in accelerating their transition
- **Pooling and promoting the Group's technical expertise** via NEST, the in-house network of experts

Strengthening steering tools, processes and set-ups

- **Accelerated industrialisation and strengthened governance** directly supervised by the CEO
- **Steering tools to support evolving needs** (of clients and regulators) and standards
- Sustainable finance training provided to each employee thanks to the **Sustainability Academy**

➔ **Priorities that are deeply embedded in the specific objectives of each of our businesses**

1. Environemental, Social and Governance

Sustainable finance & ESG – 2025 strategic plan

Group mobilisation

Mobilising our distinctive model, with five priority areas aligned with our clients' objectives and the United Nations SDGs[1]

➔ **€350bn mobilised between now and 2025 through loans and sustainable bonds issuances, related to environmental and social topics[2]**

➔ **€300bn in sustainable and responsible investments managed in 2025[3]**

Sustainable savings, investments and financing

Foster sustainable savings development and steering clients' investment decisions towards positive environmental and social impacts

Circular economy

Encourage clients' transition to circular models by financing adaptation of supply chain & production models

Transitioning towards carbon neutrality

Foster our client's transition towards low carbon and more efficient energy systems and addressing their massive financing needs in this area in particular through the access to capital markets

Natural capital & biodiversity

Orchestrate & promote development of solutions contributing to terrestrial & marine biodiversity conservation

Combatting exclusion

Develop accessible financial services, promote female entrepreneurship, a positive-impact economy, and equal job opportunities for young people

1. Sustainable Development Goals; 2. Loans to companies, institutionals and individuals covering environmental and social issues and annual sustainable bonds issuances; 3. BNP Paribas Asset management European open funds classified open Articles 8 and 9 as defined by SFDR

New reporting structure aligned with the organisational set up in 2021 & enriched disclosure

Current reporting structure as of 2021

Domestic Markets (DM)	French Retail Banking (FRB)
	Belgian Retail Banking (BRB)
	BNL bc
	Other Domestic Markets: Arval, Leasing solutions, New Digital Businesses (incl. Nickel, Lyf), Personal Investors, Luxembourg Retail Banking (LRB)
International Financial Services (IFS)	BancWest
	Europe Mediterranean
	BNPP Personal Finance
	Insurance
	Wealth Management, Asset Management, Real Estate
Corporate & Institutional Banking (CIB)	Corporate Banking
	Global Markets
	Securities Services
Other Activities	Corporate Centre (incl. Principal Investments)

New reporting structure from 1Q22

Commercial, Personal Banking & Services (CPBS)	Commercial & Personal Banking	France (ex FRB)
		Belgium (ex BRB)
		Italy (BNL bc.)
		Luxembourg (ex LRB)
		Europe Med.
		BancWest
	Specialised Businesses	Arval & Leasing Solutions
		BNPP Personal Finance
		New Digital Businesses, Personal Investors
Investment & Protection Services (IPS)	Insurance	
	Wealth Management	
	Asset Management, Real Estate, Principal Investments	
Corporate & Institutional Banking (CIB)	Global Banking	
	Global Markets	
	Securities Services	
Other Activities	Corporate Centre (excl. Principal Investments)	

BNP Paribas has demonstrated the ability to capture growth

Robust financial targets well balanced per business

2025 targets	CPBS[1]	IPS[2]	CIB	
Revenues CAGR 21-25	~+5%	~+4.5%	~+3%	• **Maintained revenue balance** between businesses
Average Jaw Effect 21-25[3]	~+3 pts	~+1.5 pt	~+2 pts	• **Material C/I improvement** sustained by all divisions
RONE[4] Growth 21-25	>+3.5 pts	>+6.5 pts	>+3 pts	• **Maintained RWA[4] balance** between businesses

Revenue growth > Cost growth

Revenue growth > RWA growth[4]

Growth cycle reaching >11% ROTE[5] in 2025, above the cost of equity

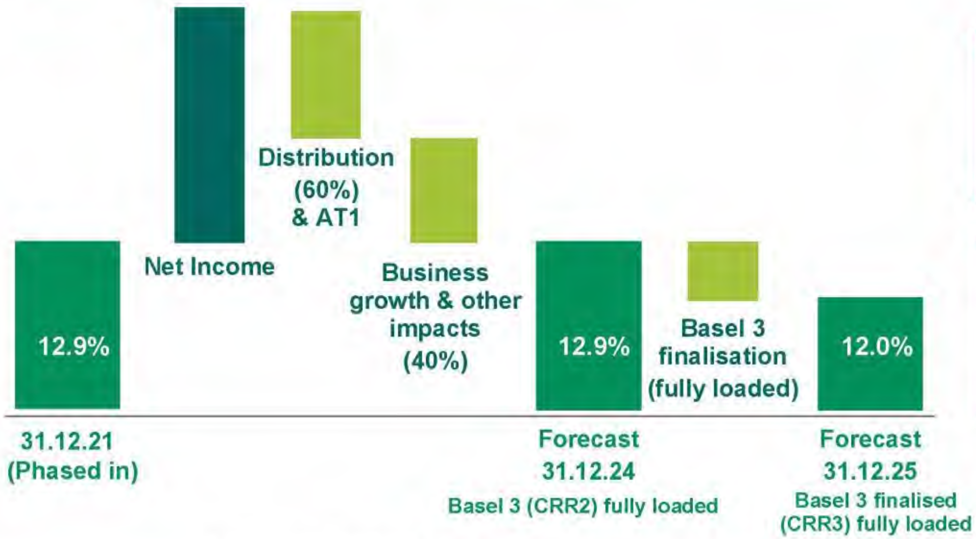
Material RONE[4] improvements in all divisions

1. Excluding Bank of the West and including 100% of Private Banking in Commercial & Personal Banking in the Eurozone and Europe Mediterranean; 2. Excluding Bank of the West ; 3.CAGR 21-25 Revenues minus CAGR 21-25 Operating Expenses; 4. Basel 3 (CRR2) fully loaded; 5. Basel 3 finalised (CRR3) fully loaded

BNP Paribas is ready to deliver profitable growth and increase its pay-out ratio

With its current level of CET1 and growth delivering a ROTE>11%[1] in 2025, the Group is ready to:

- **absorb the implementation of the upcoming Basel 3 finalisation (CRR3) fully loaded** (estimated at +8% on RWAs[2], fully loaded in 2025)
- **fuel profitable growth**, with **RWA growth[2] < Revenue growth**, with a **balance between businesses maintained**
- **structurally increase the pay-out ratio to 60%,** with a minimum 50% paid in cash[3]



CET1 target

12.9%[4] at the end of 2024

12.0%[5] at the end of 2025

Increased ordinary pay-out ratio
60%
with a minimum of 50% paid in cash[3]

1. Return on Tangible Equity; Basel 3 finalised (CRR3) fully loaded; 2. Risk Weighted Assets; Basel 3 (CRR2) fully loaded; 3. Subject to the approval of the Annual General Meeting; 4. Basel 3 (CRR2) fully loaded; 5. Basel 3 finalised (CRR3) fully loaded

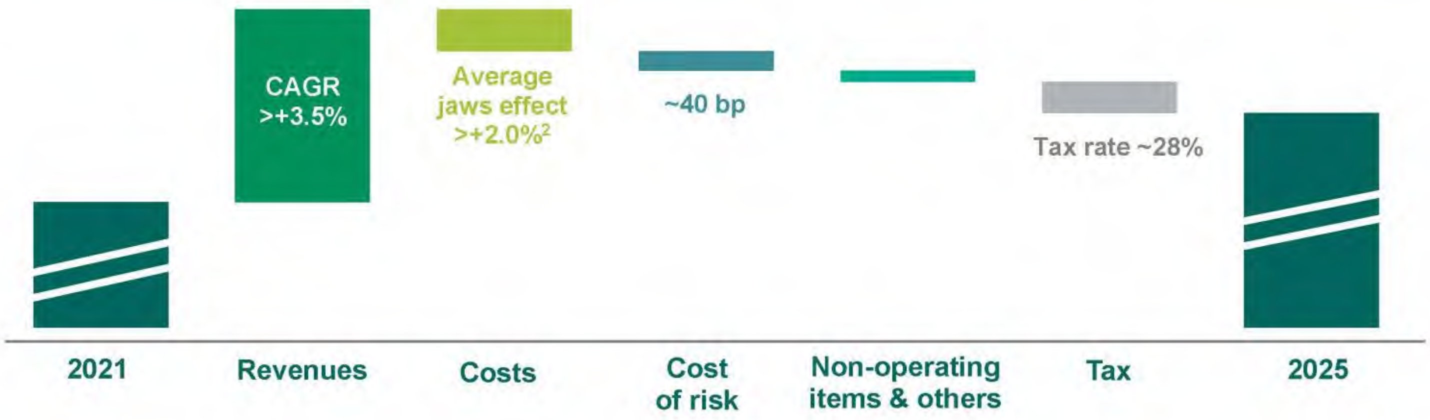
Solid financial structure

	2024 targets[1]	2025 targets[1]
CET1 ratio	12.9% Basel 3 (CRR2) fully loaded	12.0% Basel 3 finalised (CRR3) fully loaded
Total Capital	17.1% Basel 3 (CRR2) fully loaded	15.9% Basel 3 finalised (CRR3) fully loaded
TLAC	29.3% of RWA Basel 3 (CRR2) fully loaded	27.2% of RWA Basel 3 finalised (CRR3) fully loaded
Leverage ratio	4.2%[2] End of Period	

1. Trajectories based on expected regulatory constraints and an estimated impact of the finalisation of Basel 3 (CRR3) of +8% on RWAs; 2. With an objective of 4.1% on an average basis

BNP Paribas – 2025 Strategic plan
Strong ambitions

Net Income, Group Share
CAGR 2021-2025 >+7%[1]



Further increase in Earnings Per Share
with the use of the remaining proceeds following the sale of Bank of the West[3]

1. At constant perimeter (including or excluding Bank of the West); 2. CAGR 21-25 Revenues minus CAGR 21-25 Operating Expenses; 3. Closing expected late 2022; see press release of 20 December 2021

GTS 2025

Agreement with BMO for the sale of Bank of the West (BoW)

An operation leading to strong value-creation

- **Announcement on 20 December 2021 of the sale to BMO Financial Group of 100% of BNP Paribas' retail & commercial banking activities in the United States conducted through Bank of the West[1]**
- **Total consideration of $16.3bn (~€14.4bn[1])**, to be paid in cash at the closing of the transaction, expected late 2022
- **Extraordinary distribution in the form of share buybacks** to compensate the expected dilution of the earnings per share in the months following the closing of the transaction

Reminder[1]

1.72x P/TBV

20.5% of BNP Paribas' **market cap**

A one-off capital gain estimated at €2.9bn[2]

CET1 impact estimated at **~170bp, ~€11bn in capital release, ~110bp net** of estimated share buybacks[1]

Gradual and disciplined redeployment of the capital released within BNP Paribas' integrated and diversified model

- **Acceleration in organic growth**, in particular in Europe
- Targeted investments in **technologies** and **innovative business models**
- **Bolt-on acquisitions** in value-added businesses, in line with the strategy of the business

Target: an additional increase in earnings per share of more than 5% by 2025

1. As of 17 December 2021 - See press release of 20 December 2021; Subject to the usual suspensive conditions, including approval by the relevant supervisory and competition authorities; 2. Net of tax

BNP PARIBAS

GROUP RESULTS

DIVISION RESULTS

GROWTH, TECHNOLOGY & SUSTAINABILITY 2025

CONCLUSION

4Q21 DETAILED RESULTS

APPENDICES

Conclusion

A strong and distinctive business model

Net income[1] 2021: €9,488m (+34.3% vs. 2020)

2021 ROTE: 10.0%

CET1 ratio: 12.9%

2021 pay-out ratio

60%

(50% in cash[2], 10% in share buybacks[3])

Launch of the new strategic plan

***Growth, Technology & Sustainability* 2025**

Strengthening BNP Paribas' unique positioning by leveraging on the strength of platforms & client franchises

Technology & industrialisation at the heart of our model

Deployment of sustainable finance and ESG at scale

Development of employee potential & engagement

1. Group share; 2.Subject to the approval of the General Meeting of the 17 May 2022; 3. Share buyback programme totalling €900m executed in 4Q21

BNP Paribas' ambitions for 2025

2022-2025 financial objectives in brief

Pursue an ambitious and disciplined growth

Revenues	CAGR 2021-2025[1] >+3.5%
Net income[3]	CAGR 2021-2025[1] >7%
CET1	2024: 12.9% Basel 3 (CRR2) fully loaded 2025: 12.0% Basel 3 finalised (CRR3) fully loaded
Jaws effect	Average 2021-2025[2] >+2.0 pts
ROTE	2025 >11% Basel 3 finalised (CRR3) fully loaded
Pay-out ratio	60% With a minimum of 50% in cash[4]

+

Objective of additional >5% EPS growth through the gradual redeployment of capital release following the sale of Bank of the West[5]

1. At constant perimeter (including or excluding Bank of the West); 2. CAGR 2021-25 of revenues less CAGR 2021-25 of operating expenses; 3. Group share; 4. Subject to the approval of General Meeting 5. Closing expected late 2022; see press release of 20 December 2021

BNP PARIBAS

GROUP RESULTS

DIVISION RESULTS

GROWTH, TECHNOLOGY & SUSTAINABILITY 2025

CONCLUSION

4Q21 DETAILED RESULTS

APPENDICES

Main exceptional items – 4Q21

Exceptional items

	4Q21	4Q20
Revenues		
• Accounting impact of a swap set up for the transfer of an activity (*Corporate Centre*)		-€104m
Total exceptional revenues		***-€104m***
Operating expenses		
• Restructuring costs[1] and adaptation costs[2] (*Corporate Centre*)	-€61m	-€91m
• IT reinforcement costs (*Corporate Centre*)	-€21m	-€59m
• Donations and staff safety measures relating to the health crisis (*Corporate Centre*)		- €24m
Total exceptional operating expenses	***-€82m***	***-€175m***
Other non-operating items		
• Capital gain on the sale of buildings (*Corporate Centre)*	+€184m	+€193m
• Impairments *(Corporate Centre)*	+€75m	-€130m
• Capital gain related to Allfunds (Corporate Centre)		+€371m
Total exceptional other non-operating items	***+€259m***	***+€434m***
Total exceptional items (pre-tax)	**+€177m**	**+€155m**
Total exceptional items (after tax)[3]	**+€172m**	**+€166m**

1. Related to the restructuring of certain businesses (in particular at CIB); 2. Related in particular to Wealth Management and CIB; 3. Group share

3. AMENDMENTS TO THE RISK FACTORS

RISK FACTORS

The risk factors of the Universal Registration Document on pages 350 to 365 are amended as follows:

(a) the paragraphs and the table under the main heading "**Risk Factors**" and above the heading "**1. Credit risk, counterparty risk and securitisation risk in the banking book**" on pages 350 to 351 of the Universal Registration Document are deleted and replaced with the following:

"Unless otherwise mentioned, the financial information and items mentioned in these risk factors include the activity related to Bank of the West reflecting an operational view. Such financial information and items therefore do not reflect the effects of applying IFRS 5, which pertains to non-current assets and liabilities held for sale. The 8 February 2022 Press Release and Related Presentation includes a reconciliation between the operational view presented without applying IFRS 5 and the consolidated financial statements based on an application of IFRS 5.

The main categories of risk inherent in BNP Paribas Group's business are presented below. They may be measured through risk-weighted assets or other quantitative or qualitative indicators, to the extent risk-weighted assets are not relevant (for example, for liquidity and funding risk).

Risk-weighted assets in billions of euros	**31.12.21**	**31.12.20**
Credit risk	554	527
Counterparty credit risk	40	41
Securitisation risk in the banking book	14	14
Operational risk	63	71
Market risk	25	25
Amounts below the thresholds for deduction (subject to 250% risk weight)	18	17
Total	**714**	**696**

More generally, the risks to which BNP Paribas Group is exposed may arise from a number of factors related, among others, to changes in its macroeconomic or regulatory environment or factors related to the implementation of its strategy and its business.

The material risks specific to BNP Paribas Group's business, determined based on the circumstances known to the management as of the date of the 2021 BNP Paribas Group Unaudited Financial Statements, are presented below under seven main categories pursuant to Article 16 of UK Prospectus Regulation: credit risk, counterparty risk and securitisation risk in the banking book; operational risk; market risk; liquidity and funding risk; risks related to the macroeconomic and market environment; regulatory risks; and risks related to BNP Paribas Group's growth in its current environment.

BNP Paribas Group's risk management policies have been taken into account in assessing the materiality of these risks; in particular, risk-weighted assets factor in risk mitigation elements to the extent eligible in accordance with applicable banking regulations.";

(b) the paragraphs and the risk factors under the heading "**1. Credit risk, counterparty risk and securitisation risk in the banking book**" on pages 351 to 352 of the Universal Registration Document are amended as follows:

"BNP Paribas Group's **credit risk** is defined as the probability of a borrower or counterparty defaulting on its obligations to BNP Paribas Group. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. In accordance with the European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities. As of 31 December 2020, BNP Paribas Group's credit risk exposure broke down as follows: corporates (41%), central governments and central banks (26%), retail customers (25%), credit institutions (5%), other items (2%) and equities (1%). As of 31 December 2020, 34% of BNP Paribas Group's credit exposure was comprised of exposures in France, 15% in Belgium and Luxembourg, 10% in Italy, 19% in other European countries, 12% in North America, 5% in Asia and 5% in the rest of the world. BNP Paribas Group's risk-weighted assets subject to this type of risk amounted to €554 billion at 31 December 2021, or 78% of the total risk-weighted assets of BNP Paribas Group, compared to €527 billion at 31 December 2020.

BNP Paribas Group's **counterparty risk** arises from its credit risk in the specific context of market transactions, investments, and/or settlements. BNP Paribas Group's exposure to counterparty risk, excluding Credit Valuation Adjustment ("**CVA**") risk as of 31 December 2020, was comprised of: 42% in the corporate sector, 27% in governments and central banks, 12% in credit institutions and investment firms, and 19% in clearing houses. By product, BNP Paribas Group's exposure, excluding CVA risk, as of 31 December 2020 was comprised of: 53% in over-the-counter ("**OTC**") derivatives, 34% in repurchase transactions and securities lending/borrowing, 11% in listed derivatives and 2% in contributions to the clearing houses' default funds. The amount of this risk varies over time, depending on fluctuations in market parameters affecting the potential future value of the covered transactions. In addition, CVA risk measures the risk of losses related to CVA volatility resulting from fluctuations in credit spreads associated with the counterparties in respect of which BNP Paribas Group is subject to risk. The risk-weighted assets subject to counterparty credit risk amounted to €40 billion at 31 December 2021, representing 6% of BNP Paribas Group's total risk-weighted assets, compared to €41 billion at 31 December 2020.

Securitisation risk in the banking book: Securitisation is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made by BNP Paribas Group under a securitisation structure (including derivatives and liquidity lines) is considered to be a securitisation. The bulk of BNP Paribas Group's commitments are in the prudential banking portfolio. Securitised exposures are essentially those generated by BNP Paribas Group. The securitisation positions held or acquired by BNP Paribas Group may also be categorized by its role: of the positions as at 31 December 2020, BNP Paribas Group was originator of 52%, was sponsor of 34% and was investor of 14%. The risk-weighted assets subject to this type of risk amounted to €14 billion at 31 December 2021, representing 2% of BNP Paribas Group's total risk-weighted assets, compared to €14 billion at 31 December 2020.

1.1 *A substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk could adversely affect BNP Paribas Group's results of operations and financial condition*.

Credit risk and counterparty risk impact BNP Paribas Group's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in BNP Paribas Group's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government or a government entity, an investment fund, or a natural person. If the default rate of customers or counterparties increases, BNP Paribas Group may have to record increased charges or provisions in respect of irrecoverable or doubtful loans (Stage 3) or of performing loans (Stages 1 and 2) in response to a deterioration in economic conditions or other factors, which may affect its profitability.

As a result, in connection with its lending activities, BNP Paribas Group regularly establishes provisions, which are recorded on its income statement in the line item Cost of Risk. These provisions amounted to €2.925 billion at 31 December 2021, representing 34 basis points of outstanding customer loans (compared with 66 basis points at 31 December 2020 and 39 basis points at 31 December 2019). The significant increase in these provisions in 2020 reflects the economic consequences of the health crisis and is an example of the materialisation of this risk, while their decrease in 2021 is explained by a high base in 2020, a limited number of defaults and limited write-backs of provisions on performing loans.

BNP Paribas Group's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans or statistical analysis based on scenarios applicable to asset classes.

Although BNP Paribas Group seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses or sound receivables substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in BNP Paribas Group's estimate of the risk of loss inherent in its portfolio of non impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BNP Paribas Group's results of operations and financial condition.

For reference, at 31 December 2021, the ratio of doubtful loans to total loans outstanding was 2.0% and the coverage ratio of these loans (net of guarantees received) by provisions was 73.6%, compared to 2.1% and 71.5%, respectively, as at 31 December 2020.

While BNP Paribas Group seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralization, obtaining guarantees, entering into credit derivatives and entering into netting agreements, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, BNP Paribas Group is also exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty in a derivative or a loan insurance contract) or to the risk of loss of value of any collateral. In addition, only a portion of BNP Paribas Group's overall credit risk and counterparty risk is covered by these techniques. Accordingly, BNP Paribas Group has very significant exposure to these risks.

1.2 *The soundness and conduct of other financial institutions and market participants could adversely affect BNP Paribas Group.*

BNP Paribas Group's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults of one or more states or financial institutions, or even rumours or questions about, one or more financial institutions, or the financial services industry generally, may lead to market wide liquidity problems and could lead to further losses or defaults. BNP Paribas Group has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. BNP Paribas Group may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g. unregulated funds, trading venues or crowdfunding platforms). Credit and counterparty risks could be exacerbated if the collateral held by BNP Paribas Group cannot be realized, decreases in value or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BNP Paribas Group or in case of a failure of a significant financial market participant such as a central counterparty.

For reference, counterparty risk exposure related to financial institutions was €25 billion at 31 December 2020, or 12% of BNP Paribas Group's total counterparty risk exposure, and counterparty risk exposure related to clearing houses was €42 billion, or 19% of BNP Paribas Group's total counterparty risk exposure.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including BNP Paribas Group, announced losses or exposure to losses in substantial amounts. BNP Paribas Group remains the subject of various claims in connection with the Madoff matter; see Note 7.b "Legal proceedings and arbitration" to the consolidated financial statements for the period ended 31 December 2021, which are set out in the 2021 BNP Paribas Group Unaudited Financial Statements.

Losses resulting from the risks summarised above could materially and adversely affect BNP Paribas Group's results of operations.";

(c) the paragraphs and the risk factors under the heading "**2. Operational Risk**" on pages 353 to 354 of the Universal Registration Document are amended as follows:

(i) the second paragraph under the heading "**2. Operational Risk**" on page 353 of the Universal Registration Document is amended as follows:

"The risk-weighted assets subject to this type of risk amounted to €63 billion at 31 December 2021, representing 9% of BNP Paribas Group's total risk-weighted assets, compared to €71 billion at 31 December 2020.";

(ii) the paragraph under the risk factor entitled "*2.1 BNP Paribas Group's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.*" on page 353 of the Universal Registration Document is amended as follows:

"BNP Paribas Group has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, BNP Paribas Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that BNP Paribas Group may have failed to identify or anticipate. BNP Paribas Group's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of BNP Paribas Group's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. BNP Paribas Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process BNP Paribas Group uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption or substantial uncertainty, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g. if BNP Paribas Group does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit BNP Paribas Group's ability to manage its risks. BNP Paribas Group's losses could therefore be significantly greater than the historical measures indicate. In addition, BNP Paribas Group's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.";

(iii) the first paragraph under the risk factor entitled "*2.2 An interruption in or a breach of BNP Paribas Group's information systems may cause substantial losses of client or customer information, damage to BNP Paribas Group's reputation and result in financial losses.*" on page 353 of the Universal Registration Document is amended as follows:

"As with most other banks, BNP Paribas Group relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, the development of cloud computing and more generally the use of new technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BNP Paribas Group's customer relationship management, general ledger, deposit, servicing and/or loan organization systems or could cause BNP Paribas Group to incur significant costs in recovering and verifying lost data. BNP Paribas Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed."; and

(iv) the paragraph under the risk factor entitled "*2.3 Reputational risk could weigh on BNP Paribas Group's financial strength and diminish the confidence of clients and counterparties in it.*" on page 354 of the Universal Registration Document is amended as follows:

"Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to BNP Paribas Group's ability to attract and retain customers. BNP Paribas Group's reputation could be harmed if the means it uses to market and promote its products and services were deemed to be inconsistent with client interests. BNP Paribas Group's reputation could also be damaged if, as it increases its client base and the scale of its businesses, its overall procedures and controls dealing with conflicts of interest fail, or appear to fail, to address them properly. Moreover, BNP Paribas Group's reputation could be damaged by employee misconduct, fraud or misconduct by financial industry participants to which BNP Paribas Group is exposed, a decline in, a restatement of, or corrections to, its financial results, as well as any adverse legal or regulatory action, such as the settlement BNP Paribas Group entered into with the U.S. authorities in 2014 for violations of U.S. laws and regulations regarding economic sanctions. The loss of business that could result from damage to BNP Paribas Group's reputation could have an adverse effect on its results of operations and financial position.";

(d) the paragraphs and the risk factors under the heading "**3. Market risk**" on pages 354 to 355 of the Universal Registration Document are amended as follows:

(i) the paragraphs under the heading "**3. Market risk**" on page 354 are amended as follows:

"BNP Paribas Group's market risk is the risk of loss of value caused by an unfavourable trend in prices or market parameters. The parameters affecting BNP Paribas Group's market risk include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters.

BNP Paribas Group is exposed to market risk mainly through trading activities carried out by the business lines of its Corporate & Institutional Banking ("CIB") operating division, primarily in Global Markets, which represented 14.8% of BNP Paribas Group's revenue in 2021. BNP Paribas Group's trading activities are directly linked to economic relations with clients of these business lines, or indirectly as part of its market making activity.

In addition, the market risk relating to BNP Paribas Group's banking activities covers its interest rate and foreign exchange rate risk in connection with its activities as a banking intermediary. The "operating" foreign exchange risk exposure relates to net earnings generated by activities conducted in currencies other than the functional currency of the entity concerned. The "structural" foreign exchange risk position of an entity relates to investments in currencies other than the functional currency. In measuring interest rate risk, BNP Paribas Group defines the concepts of standard rate risk and structural rate risk as the following: the standard rate risk corresponds to the general case, namely when it is possible to define the most appropriate hedging strategy for a given transaction, and the structural rate risk is the interest rate risk for equity and non-interest-bearing current accounts.

BNP Paribas' market risk based on its activities is measured by Value at Risk ("**VaR**"), or the maximum potential loss over one year, at a 99.9% confidence level to calculate regulatory capital requirements, and various other market indicators (stressed VaR, Incremental Risk Charge, Comprehensive Risk

Measure for credit correlation portfolio) as well as by stress tests and sensitivity analysis compared with market limits.

The risk-weighted assets subject to this type of risk amounted to €25 billion at 31 December 2021, representing 3% of BNP Paribas Group's total risk-weighted assets, compared to €25 billion at 31 December 2020.";

(ii) the final paragraph of the risk factor entitled "*3.1 BNP Paribas Group may incur significant losses on its trading and investment activities due to market fluctuations and volatility.*" on pages 354 to 355 of the Universal Registration Document is deleted;

(iii) the paragraph under the risk factor entitled "*3.2 BNP Paribas Group may generate lower revenues from commission and fee-based businesses during market downturns and declines in market activity.*" on page 355 of the Universal Registration Document is amended as follows:

"Commissions represented 23% of BNP Paribas Group's total revenues in 2021. Financial and economic conditions affect the number and size of transactions for which BNP Paribas Group provides securities underwriting, financial advisory and other investment banking services. These revenues, which include fees from these services, are directly related to the number and size of the transactions in which BNP Paribas Group participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that BNP Paribas Group charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues it receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, the development of index portfolios or below-market performance by BNP Paribas Group's mutual funds may lead to reduced revenues from BNP Paribas Group's asset management business and increased withdrawals and reduced inflows for these vehicles. A reduced level of revenues from the abovementioned commission and fee-based businesses may have a material adverse impact on BNP Paribas Group's financial results."; and

(iv) the paragraph under the risk factor entitled "*3.3 Adjustments to the carrying value of BNP Paribas Group's securities and derivatives portfolios and BNP Paribas Group's own debt could have an adverse effect on its net income and shareholders' equity.*" on page 355 of the Universal Registration Document is amended as follows:

"The carrying value of BNP Paribas Group's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. As at 31 December 2021, on the assets side of BNP Paribas Group's balance sheet, financial instruments at fair value through profit or loss, derivative financial instruments used for hedging purposes and financial assets at fair value through shareholders' equity amounted to €683 billion, €9 billion and €46 billion respectively. In the liabilities column, financial instruments at fair value through profit or loss and derivative financial instruments used for hedging purposes amounted to €714 billion and €10 billion, respectively, at 31 December 2021. Most of the adjustments are made on the basis of changes in fair value of BNP Paribas Group's assets or debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect BNP Paribas Group's consolidated revenues and, as a result, its net income. A downward adjustment of the fair value of BNP Paribas Group's securities and derivatives portfolios may lead to reduced shareholders' equity and, to the extent not offset by opposite changes in the value of BNP Paribas Group's liabilities, BNP Paribas Group's capital adequacy ratios may also be lowered. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.";

(e) the paragraphs and the risk factors under the heading "**4. Liquidity and funding risk**" on page 356 of the Universal Registration Document are amended as follows:

(i) the paragraph under the heading "**4. Liquidity and funding risk**" on page 356 of the Universal Registration Document is amended as follows:

"Liquidity risk is the risk that BNP Paribas Group will not be able to honour its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short- to long-term horizons. The Group's specific risk can be assessed through its short-term liquidity ratio ("**Liquidity Coverage Ratio**" or "**LCR**"), which analyses the hedging of net cash outflows during a thirty-day stress period. The monthly average in 2021 of the Group's LCR was 143%. The liquidity reserve was €452 billion at the end of 2021.";

(ii) the paragraph under the risk factor entitled "*4.1 BNP Paribas Group's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in sovereign credit spreads or other factors.*" on page 356 of the Universal Registration Document is amended as follows:

"The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including BNP Paribas Group, at various points during these periods experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. In the context of the health crisis, the European Central Bank ("**ECB**") set up refinancing facilities designed to foster the banks' financing of the economy (targeted longer-term refinancing options or "TLTRO"), on which BNP Paribas Group has drawn. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, another sovereign debt crisis or new forms of financial crises, factors relating to the financial industry or the economy in general (including the economic consequences of the health crisis) or to BNP Paribas Group in particular, the effect on the liquidity of the European financial sector in general and BNP Paribas Group in particular could be materially adverse and have a negative impact on BNP Paribas Group's results of operations and financial condition.";

(iii) the first paragraph under the risk factor entitled "*4.2 Protracted market declines can reduce BNP Paribas Group's liquidity, making it harder to sell assets and possibly leading to material losses. Accordingly, BNP Paribas Group must ensure that its assets and liabilities properly match in order to avoid exposure to losses.*" on page 356 of the Universal Registration Document is amended as follows:

"In some of BNP Paribas Group's businesses, particularly Global Markets (which represented 14.8% of BNP Paribas Group's revenue in 2021) and Asset/Liability Management, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if BNP Paribas Group cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that BNP Paribas Group calculates using models rather than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant unanticipated losses."; and

(iv) the first paragraph under the risk factor entitled "*4.3 Any downgrade of BNP Paribas Group's credit ratings could weigh heavily on the profitability of BNP Paribas Group.*" on page 356 of the Universal Registration Document is amended as follows:

"Credit ratings have a significant impact on BNP Paribas Group's liquidity. On 24 June 2021, Standard & Poor's confirmed the long-term rating of BNP Paribas Group's deposits and senior preferred debt rating as A+, confirmed its short-term rating as A-1 and revised the outlook from negative to stable. On 23 September 2021, Fitch maintained its long-term deposits and senior preferred debt ratings for BNP Paribas Group at AA- and F1+ and revised its outlook to stable. On 4 December 2020, Moody's confirmed its long-term deposits and senior preferred debt rating as Aa3, and confirmed its short-term rating as P-1, with a stable outlook. On 19 July 2021, DBRS confirmed BNP Paribas Group's senior preferred debt rating as AA (low), as well as its short-term rating as R-1(middle) with a stable outlook. A downgrade in BNP Paribas Group's credit rating could affect the liquidity and competitive position of BNP Paribas Group. It could also increase BNP Paribas Group's borrowing costs, limit access to the capital markets or trigger additional obligations under its covered bonds or under certain bilateral provisions in some trading, derivative or collateralised financing contacts.";

(f) the risk factors under the heading "**5. Risks related to the macroeconomic and market environment**" on pages 357 to 359 of the Universal Registration Document are amended as follows:

"5.1 *Adverse economic and financial conditions have in the past had and may in the future have an impact on BNP Paribas Group and the markets in which it operates*.

BNP Paribas Group's business is sensitive to changes in the financial markets and more generally to economic conditions in France (28% of BNP Paribas Group's revenues at 31 December 2020), other countries in Europe (47% of BNP Paribas Group's revenues at 31 December 2020) and the rest of the world (25% of BNP Paribas Group's revenues at 31 December 2020, including 6% generated by Bank of the West in the United States). A deterioration in economic conditions in the markets where BNP Paribas Group operates and in the economic environment could in the future have some or all of the following impacts:

- Adverse economic conditions affect the business and operations of BNP Paribas Group's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and other receivables, in part as a result of the deterioration of the financial capacity of companies and households;
- A decline in market prices of bonds, equities and commodities could affect the businesses of BNP Paribas Group, including in particular trading, investment banking and asset management revenues;
- Macroeconomic policies adopted in response to actual or anticipated economic conditions can have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn can affect BNP Paribas Group's businesses that are most exposed to market risk;
- Perceived favourable economic conditions generally or in specific business sectors can result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favourable;
- A significant economic disruption (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011 or the COVID-19 pandemic since 2020) can have a substantial impact on all of BNP Paribas Group's activities, particularly if the disruption is characterized by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all and these disruptions could also lead to a decline in transaction commissions and consumer loans; and
- A significant deterioration of market and economic conditions resulting from, among other things, adverse political and geopolitical events such as natural disasters, geopolitical tensions, health risks such as the COVID-19 health crisis and its aftermath, the fear or recurrence of new epidemics or pandemics, acts of terrorism, societal unrest, cyber-attacks, military conflicts or threats thereof and related risks can affect the operating environment for BNP Paribas Group episodically or for extended periods.

Since 2020, economies and financial markets have been, and should continue into 2022 to be, particularly sensitive to a number of factors, including the evolution of the COVID-19 pandemic and its economic consequences, in particular, the increase in sovereign and corporate debt that pre-dated the health crisis and has been aggravated by it as well as the strength and staying power of the economic recovery following the crisis' peak, which is itself dependent on a number of factors (see risk factor 7.1 "Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect the Group's business, operations, results and financial condition" below).

In addition, numerous factors may impact the economy and the financial markets in the coming months or years, in particular, geopolitical tensions, notably in Eastern Europe, political risks directly affecting Europe, general trends in consumer and commodity prices (themselves affected by the above-mentioned factors) characterised by high inflation, corresponding trends in wages, supply chain pressures, the changing economic situation in certain countries or regions that contribute to overall global economic growth, tensions around international trade and, as discussed below, the evolution of monetary policy and interest rates.

More generally, the volatility of financial markets could adversely affect BNP Paribas Group's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. For reference, Global Markets accounted for 14.8% of BNP Paribas Group's revenues in 2021. Severe market disruptions and extreme market volatility have occurred often in recent years and may occur again in the future, which could result in significant losses for BNP Paribas Group. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict when economic or market downturns or other market disruptions will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, BNP Paribas Group's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

5.2 *Significant interest rate changes could adversely affect BNP Paribas Group's revenues or profitability. The prolonged low interest rate environment carries inherent systemic risks, which could impact BNP Paribas Group's income or profitability, and any exit from such environment would also carry risks.*

The net interest income recorded by BNP Paribas Group during any given period significantly affects its overall revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond BNP Paribas Group's control, such as the rate of inflation, country-specific monetary policies and certain decisions concerning regulatory capital. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income generated by BNP Paribas Group's lending activities. In addition, increases in the interest rates at which BNP Paribas Group's short-term funding is available and maturity mismatches may adversely affect its profitability.

Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. This low interest rate environment has weighed significantly on banks' profitability, including that of BNP Paribas Group, for a number of years. The relative impact on banks depends, in particular, on the proportion of their revenues represented by net interest income; this proportion was 46% for BNP Paribas Group in 2021 (see balance sheet as at 31 December 2021, and the IFRS 5 reconciliation tables, which are set out in the 8 February 2022 Press Release and Related Presentation). The situation has worsened since 2019 with the introduction of negative rates, particularly on placements by European banks with the ECB. If the low or even negative, interest rate environment continues, despite higher inflation and the central banks' reactions to it, BNP Paribas Group's profitability could be affected or even decline. In this respect, central banks have – in 2020 and again in 2021 - increased their monetary support in the face of the recession caused by the health crisis of 2020 and 2021. A reduction in these accommodative policies by central banks, particularly in response to increasing inflation, has begun to be implemented by the U.S. Federal Reserve, the Bank of England and the ECB. For example, the ECB has indicated that it will cease the emergency pandemic purchase program ("**EPPP**") in March 2022 and its targeted longer-term refinancing operations ("**TLTRO 3**") in June 2022.

During periods of low interest rates, interest rate spreads tend to tighten, and BNP Paribas Group may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. Net interest income amounted to €21,312 million in 2020 and €21,209 million in 2021 respectively. On an indicative basis, over one-, two- and three-year timeframes, the sensitivity of revenues at 31 December 2020 to a parallel, instantaneous and definitive increase in market rates of +50 basis points (+0.5%) across all currencies had an impact of +€125 million, +€309 million and +€600 million, respectively, or +0.3%, +0.7% and +1.4% of BNP Paribas Group's net banking income. The negative interest rate environment in which banks are charged for cash deposited with central banks, whereas banks typically do not charge clients for deposits, weighs significantly on banks' margins. In addition, BNP Paribas Group has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of BNP Paribas Group's portfolio of loans thereby causing a decline in its net interest income from lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by BNP Paribas Group from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also affect the profitability and even the solvency of the insurance activities of French banks, including BNP Paribas Group, particularly due to the prevalence in the market of life insurance contracts backed by euro-denominated funds, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by BNP Paribas Group's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of BNP Paribas Group's retail banking operations.

However, the end of a period of prolonged low interest rates, in particular due to the normalisation and tightening of monetary policy (as already initiated by some central banks and expected by the market) following the economy's recovery, or inflation at a level higher or lasting longer than expected by central banks, would also carry risks. If market interest rates were to rise generally, a portfolio featuring significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If BNP Paribas Group's hedging strategies are ineffective or provide only a partial hedge against such a change in value, BNP Paribas Group could incur losses. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. More generally, the reduction of accommodative monetary policies already initiated by some central banks after a period of substantial liquidity infusions from asset purchases by central banks may, even if implemented progressively, lead to severe corrections in certain markets or asset classes (e.g. non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

5.3 *Given the global scope of its activities, BNP Paribas Group may be vulnerable to risk in certain countries where it operates and may be vulnerable to political, macroeconomic or financial changes in the countries and regions where it operates*.

BNP Paribas Group is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given foreign country in which it operates could adversely affect BNP Paribas Group's operations, its results, its financial condition or its business. BNP Paribas Group monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. In addition, factors specific to a country or region in which BNP Paribas Group operates could make it difficult for it to carry out its business and lead to losses or impairment of assets.

At 31 December 2020, BNP Paribas Group's loan portfolio consisted of receivables from borrowers located in France (34%), Belgium and Luxembourg (15%), Italy (10%), other European countries (19%), North America, including Bank of the West (12%), Asia (5%) and the rest of the world (5%). Adverse conditions that particularly affect these countries and regions would have a significant impact on BNP Paribas Group. In addition, BNP Paribas Group has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.";

(g) the risk factors under the heading "**6. Regulatory Risks**" on pages 359 to 361 of the Universal Registration Document are amended as follows:

(i) the heading and the risk factor entitled "*6.1 Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact BNP Paribas Group and the financial and economic environment in which it operates.*" on pages 359 to 360 of the Universal Registration Document are amended as follows:

"6.1 *Laws and regulations adopted in recent years, as well as current and future legislative and regulatory developments, may significantly impact BNP Paribas Group and the financial and economic environment in which it operates*.

Laws and regulations have been enacted in the past few years, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which BNP Paribas Group and other financial institutions operate.

The measures that have been adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as BNP Paribas Group), as well as changes to the risk-weighting methodologies and the methods of using internal models that have led, could have led or could lead to increased capital requirements;
- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous funding;
- prohibitions or restrictions on fees for certain types of financial products or activities;
- enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the "**BRRD**"), as amended from time to time, which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;

- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the "**SRB**") by the European Parliament and Council of the European Union in a resolution dated 15 July 2014 (the "**SRM Regulation**"), as amended from time to time, which can initiate resolution proceedings for banking institutions such as BNP Paribas Group, and the Single Resolution Fund (the "**SRF**"), the financing of which by BNP Paribas Group (up to its annual contribution) can be significant;
- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- the implementation of regulatory stress tests (including in relation to climate change risk) which could lead to additional regulatory capital requirements;
- greater powers granted to the relevant authorities to combat money laundering and terrorism financing;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, OTC derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced protection of personal data and cybersecurity requirements;
- enhanced disclosure requirements, including through the introduction of new disclosure requirements on (i) how banking groups providing asset management services, such as BNP Paribas Group, integrate sustainability risks, negative impacts, sustainable investment objectives or the promotion of environmental or social attributes when making investment decisions, and (ii) how and to what extent banking groups themselves finance or develop economic activities that can be considered environmentally sustainable as defined in the European Taxonomy;
- the introduction of new requirements for the integration of climate risk into the risk measurement and management systems of banking groups, including through the publication of proposals for banks to manage and disclose climate risk; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the "**ACPR**") and the creation of new authorities, including the adoption of the Single Resolution Mechanism (the "**SRM**") in October 2013, pursuant to which BNP Paribas Group is under the direct supervision of the ECB.

These measures may have a significant adverse impact. For example, the introduction of a required contribution to the Single Resolution Fund resulted in a substantial additional expense for BNP Paribas Group (BNP Paribas Group made a €967 million contribution to the SRF in 2021).

Measures relating to the banking sector could be further amended, expanded or strengthened. Moreover, additional measures could be adopted in other areas. It is impossible to predict what additional measures will be adopted or what their exact content will be, and, given the complexity of the issues and the uncertainty surrounding them, to determine their impact on BNP Paribas Group. The effect of these measures, whether already adopted or that may be adopted in the future, has been and could continue to be a decrease in BNP Paribas Group's ability to allocate its capital and capital resources to financing, limit its ability to diversify risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost of compliance, increase the cost or reduce the demand for the products and services offered by BNP Paribas Group, require BNP Paribas Group to proceed with internal reorganizations, structural changes or reallocations, affect the ability of BNP Paribas Group to carry on certain activities or to attract and/or retain talent and, more generally, affect its competitiveness and profitability, which could have an impact on its profitability, financial condition and operating results. As a recent example, the European Commission presented a legislative package on 27 October 2021 to finalise the implementation within the European Union of the Basel III agreement adopted by the Group of Central Bank Governors and Heads of Supervision ("**GHOS**") on 7 December 2017. This legislative package will in the next stage be discussed by the European Parliament and Council with a view to agreeing on a final text. In the impact assessment accompanying the legislative package, the European Commission estimated, on the basis of a European Banking Authority ("**EBA**") impact study dated December 2020 and of additional European Commission's estimates for some EU-specific adjustments, that the implementation of the final Basel III standards may result in an average increase in total minimum capital requirements ranging between 6.4% and 8.4% after a full implementation of the reform. On the basis of the EBA's updated impact analysis taking into account the combined effect of the reform and the potential consequences of the COVID-19 crisis, the European Commission opted to apply the new capital requirements to EU banks as of 1 January 2025, with a phase-in period during which the requirements will be gradually increased through 2030 (and 2032 for certain requirements). On this basis, BNP Paribas Group has indicated a potential increase of 8% in its risk-weighted assets in 2025, which implies a potential 8% increase in total minimum capital requirements resulting from the finalization of Basel III (full). This estimate is subject to change depending on potential changes in the draft text, in BNP Paribas Group and in the macroeconomic context.

BNP Paribas Group is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates. BNP Paribas Group faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which BNP Paribas Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of protection of personal data and cybersecurity;
- changes in tax legislation or the application thereof;

- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance; and
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect BNP Paribas Group and have an adverse effect on its business, financial condition and results of operations. Certain reforms not directed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect BNP Paribas Group's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

Finally, the accommodative policies implemented temporarily by national and European regulatory authorities in the context of the health crisis have either lapsed or are expected to lapse gradually, although their remaining course is not currently certain (see risk factor7.1 "Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect BNP Paribas Group's business, operations, results and financial condition" below)."; and

(ii) the first paragraph under the risk factor entitled "*6.3 BNP Paribas Group could experience an unfavourable change in circumstances, causing it to become subject to a resolution proceeding: holders of securities of BNP Paribas Group could suffer losses as a result.*" on page 361 of the Universal Registration Document is amended as follows:

"The BRRD, the SRM Regulation and the Ordinance of 20 August 2015, each as amended from time to time, confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as BNP Paribas Group, with a view to ensuring the continuity of critical functions, avoiding the risks of contagion and recapitalizing or restoring the viability of the institution. These powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), then by the holders of non-preferred senior debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings. For reference, BNP Paribas Group's medium- to long-term wholesale financing at 31 December 2021 consisted of the following: €9 billion of hybrid Tier 1 debt, €23 billion of Tier 2 subordinated debt, €70 billion of senior unsecured non-preferred debt, €67 billion of senior unsecured preferred debt and €17 billion of senior secured debt."; and

(h) the risk factors under the heading "**7. Risks related to BNP Paribas Group's growth in its current environment**" on pages 361 to 365 of the Universal Registration Document are amended as follows:

"7.1 *Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect BNP Paribas Group's business, operations, results and financial condition.*

A global pandemic linked to a novel strain of coronavirus (COVID-19) has severely disrupted economies and financial markets worldwide since 2020. The introduction of lockdown measures and other restrictions initially caused economies in many regions to contract, trade to decline, production capacity to decrease, growth forecasts to be cut and supply chains to be disrupted. In a second phase, the rollout of vaccination campaigns and the adaptation of economic actors allowed the gradual adaptation of these measures and restrictions, leading to a recovery in economic activity. As a result, various growth forecasts converge on a strong economic recovery. For example, according to the January 2022 estimates and projections of the International Monetary Fund (the "**IMF**"), world economic growth is expected to be 5.9 % in 2021 and 4.4 % in 2022.

Nevertheless, uncertainties remain as to the strength and sustainability of the recovery, both in terms of the public health situation (e.g. the appearance of new strains of the virus) and the economy (e.g. the extent and durability of the recovery. In this respect, the outlook for 2022 was lowered for both emerging and developing countries, as well as for advanced countries, compared to the IMF projections published in October 2021. Various complicating factors will affect the trajectory of economic recovery. International supply chains – which had been strained severely by the pandemic–related mobility restrictions – remain heavily disrupted, generating shortages of certain consumer goods (such as a dearth of semiconductors causing delays in the production of telephones and automobiles) and oil and gas supply and labour market constraints, having both specific (for example, raw materials price increases) and general (i.e., inflation rate) effects on prices.

Further, while various governments and central banks implemented and supplemented measures to support the economy and its recovery – in order to mitigate the adverse economic and market consequences of the pandemic – there can be no assurance that such measures will suffice to redress the pandemic's negative impact on the regional or global economy over time, entirely compensate for or mitigate regional or global recessions (which occurred and could reoccur), or fully and over time prevent possible disruptions to the financial markets. The lifting of government support measures could also harm economic activity and the financial strength of economic actors. Overall, the crisis has impacted and may continue to impact the economies of the principal countries where the Group operates, particularly its domestic markets (France, Italy, Belgium and Luxembourg), which collectively represented 57% of its total gross credit exposures as of 31 December 2021. The Group's results and financial condition have been and could continue to be adversely impacted by the effects of the crisis related to the pandemic and the resulting disruption of economic activity in the Group's principal markets. In particular, the crisis significantly affected the Group's cost of risk in 2020, reflecting macroeconomic projections based on various scenarios applying the framework in place prior to the crisis. Under this framework, macroeconomic projections – specifically GDP estimates and forecasts – are key to calculating the cost of risk and the consequences of the health crisis included a decrease in GDP growth estimates for many of the Group's markets. The cost of risk calculation also takes into account the specific dynamics of the crisis in 2020, along with anticipated future impacts on credit and counterparty risk, including the consequences of lockdown measures on economic activity and the impact of government support measures and decisions. These factors contributed to the substantial increase in the Group's cost of risk in 2020 (66 basis points).

The 2021 fiscal year showed an improvement with an increase in revenues of 4.4% to €46,235 billion and an increase in net income attributable to the Group due to the increase in Domestic Markets revenues (+5.2% compared to 2020) with the rebound of the economy and the resilience of CIB revenues (+3.4% compared to 2020), but also by the decrease in the cost of risk (-48.8% compared to 2020), particularly in connection with improving economic forecasts. Nevertheless, revenues in the International Financial Services businesses remain impacted by the consequences of the health crisis (-1.2% compared to 2020).

Developments in the current health crisis and market conditions have characteristics that could increase the probability and magnitude of various existing risks faced by the Group such as: (i) pressure on revenues due in particular to (a) prolongation of the low interest rate environment and (b) lower revenues from fees and commissions; (ii) renewed heightened risk linked to an economic slowdown due to inflationary pressures (energy prices, labour market tensions), supply chain disruption or withdrawal of government support measures; (iii) risk of financial market disruption in the event of poorly anticipated changes in monetary policies; and (iv)higher risk-weighted assets due to the deterioration of risk parameters, hence affecting the Group's capital position.

The Group's results and financial condition could also be harmed by negative trends in the financial markets, to the extent that the pandemic initially caused extreme market conditions (for example such as, volatility spikes, a sharp drop in equity markets, tensions on spreads, specific asset markets on hold). Uncertainties about the scope and durability of the economic recovery, the lightening or strengthening of government support measures, and the pressures linked to supply chains and raw material procurement have generated and could generate unfavourable market conditions. Thus, unfavourable market conditions had and could have an adverse impact on the Group's market activities, which accounted for 14.8% of its consolidated revenues in 2021, resulting in trading or other market-related losses, as occurred in 2020, following restrictions implemented on short-selling and dividend distributions (notably €184 million in the first quarter of 2020 related to the European authorities' restrictions on 2019 dividends). Further, certain of the Group's investment portfolios (for example, in its insurance subsidiaries) are accounted for on a mark-to-market basis and were impacted by adverse market conditions, particularly in the second quarter of 2020 and could continue to be impacted again in the future.

The extent to which the short, medium and long-term economic consequences of the pandemic will continue to affect the Group's results and financial condition will depend largely on (i) the intensity and duration of restrictive measures that have been put in place or their periodic reintroduction, depending on the evolution of the health situation, (ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (iii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic or the terms and conditions for lifting these measures and (iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement or strengthening of lockdown measures or other restrictions, such as in relation to travel, in the Group's various markets, as well as the pace and mechanisms of deployment of immunization programmes. In addition, while the actions of European Union and member states' authorities (in particular, central banks and governments) in response to the pandemic have to date and may well continue to help attenuate its adverse economic and market consequences, the authorities have also issued and may continue to issue additional restrictions or recommendations in respect of banks' actions. In particular, they limited in 2020 and 2021 banks' flexibility in managing their business and taking action in relation to capital distribution, capital allocation and compensation policies.

Due to the unprecedented environment generated by the COVID-19 crisis, various pandemic-related uncertainties around public health, society and the economy persist. The consequences for the Group will depend on the duration of the impact of the crisis, the measures taken by governments and central banks and the ability of society to recover, and are therefore difficult to predict.

7.2 *Should BNP Paribas Group fail to implement its strategic objectives or to achieve its published financial objectives or should its results not follow stated expected trends, the trading price of its securities could be adversely affected.*

In connection with its annual results announced on 8 February 2022, BNP Paribas Group announced a strategic plan for the 2022-2025 period. The plan includes financial and operational objectives, on a constant scope basis, as well as the expected impact of the redeployment of proceeds from the sale of Bank of the West, after adjusting for the effect of the distribution to shareholders of a portion of the proceeds. BNP Paribas Group's actual results could vary significantly from these trends for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section, in particular, as a result of the consequences of the COVID-19 health crisis which have had and could continue to have major repercussions on the economic outlook and cause financial market disruptions. If BNP Paribas Group's results do not follow these trends, its financial condition and the value of its securities, as well as its financing costs, could be affected.

Additionally, BNP Paribas Group is pursuing an ambitious Corporate Social Responsibility ("**CSR**") policy and is committed to making a positive impact on society with concrete achievements. In 2021, BNP Paribas Group strengthened its commitment to a sustainable economy and accelerated decarbonization strategies, with the signing of the Net Zero Banking Alliance, the Net Zero Asset Owner Alliance, and the Net Zero Asset Managers Initiative. BNP Paribas Group is thus taking strong positions, as a founding member of the United Nations Principles for Responsible Banking, which commits it to align its strategy with the Paris Agreement and the Sustainable Development Goals ("**SDGs**"). As part of BNP Paribas Group's 2022-2025 strategic plan, it aims to mobilize €350 billion in ESG-related loans and bond issuances (loans to companies, institutions and individuals covering environmental and social issues and annual sustainable bond issuances) and to have €300 billion in sustainable responsible investments under management by 2025 (for example, BNP Paribas Asset Management's open-ended funds distributed in Europe and classified as funds that promote ESG characteristics or funds that have a sustainability objective for the purposes of the Sustainable Finance Disclosure Regulation ("**SFDR**")). If BNP Paribas Group fails to meet these targets, which depend in part on factors beyond its control, its reputation could be harmed.

7.3 *BNP Paribas Group may experience difficulties integrating businesses following acquisition transactions and may be unable to realize the benefits expected from such transactions*.

BNP Paribas Group engages in acquisition and combination transactions on a regular basis. BNP Paribas Group’s most recent major such transactions were the integration of BNP Paribas Group's Prime Services and Electronic Equities platform with Deutsche Bank in 2019, the acquisition of 100% of Exane, previously 50% owned by BNP Paribas Group, finalised on 13 July 2021 and the acquisition of 100% of Floa, a subsidiary of Casino and Crédit Mutuel Alliance Fédérale (via the Banque Fédérative du Crédit Mutuel - BFCM) and one of the French leaders in innovative payments, finalised on 1 February 2022. In 2021, these operational integration activities resulted in restructuring costs of €164 million. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of BNP Paribas Group’s existing operations with those of the acquired operations could interfere with its respective businesses and divert management’s attention from other aspects of BNP Paribas Group’s business, which could have a negative impact on BNP Paribas Group’s business and results. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although BNP Paribas Group undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. In the event that BNP Paribas Group is unable to conduct comprehensive due diligence prior to an acquisition, it may acquire doubtful or troubled assets or businesses that may be unprofitable or have certain potential risks that only materialise after the acquisition. The acquisition of an unprofitable business or a business with materialised risks may materially adversely affect BNP Paribas Group's overall profitability and may increase its liabilities.

7.4 *BNP Paribas Group’s current environment may be affected by the intense competition amongst banking and non-banking operators, which could adversely affect BNP Paribas Group’s revenues and profitability*.

Competition is intense in all of BNP Paribas Group’s primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area, as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms, as well as the continuing evolution of consumer habits in the banking sector. While BNP Paribas Group has launched initiatives in these areas, such as the debut of Hello bank! and its acquisitions of Nickel and Floa, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g. debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (e.g. internet and mobile operators, digital platforms, fintechs) or free access to customer financial data could be more competitive by offering lower prices and more innovative services to address the new needs of consumers. New technologies that facilitate or transform transaction processes and payment systems, such as blockchain technologies and related services, or that could significantly impact the fundamental mechanisms of the banking system, such as central bank digital currencies ("**CBDC**"), have been developed in recent years or could be developed in the near future. While it is difficult to predict the effects of these developments and the regulations that apply to them, the use of such technology could nevertheless reduce the market share of banks, including BNP Paribas Group, secure investments that otherwise would have used technology used by more established financial institutions, such as BNP Paribas Group or, more broadly, lead to the emergence of a different monetary system in which the attractiveness of using established financial institutions, such as BNP Paribas Group, would be affected. If such developments continue to gain momentum, particularly with the support of governments and central banks, and if BNP Paribas Group is unable to respond to the competitive environment in France or in its other major markets by offering more attractive, innovative and profitable product and service solutions than those offered by current competitors or new entrants or if some of these activities were to be carried out by institutions other than banks, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for BNP Paribas Group and its competitors. It is also possible that the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, that new players may not be subject to, could lead to distortions in competition in a manner adverse to large private sector institutions such as BNP Paribas Group.

7.5 *BNP Paribas Group could experience business disruption and losses due to climate change risks such as transition risks, physical risks or liability risks*.

BNP Paribas Group is exposed to risks related to climate change, either directly through its own operations or indirectly through 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 Group is progressively integrating the assessment of these risks into its risk management system. BNP Paribas Group monitors these risks in the conduct of its business, in the conduct of its counterparties' business, and in its investments on its own behalf and on behalf of third parties. In this respect, the specific credit policies and the General Credit Policy have been enhanced since 2012 and 2014 respectively, with the addition of relevant clauses in terms of social and environmental responsibility. In addition, sector-specific policies and policies excluding certain environmental, social and governance ("**ESG**") sectors from financing have also been put in place. In 2019, as part of the fight against climate change, BNP Paribas Group made new commitments to reduce its exposure to thermal coal to zero by 2030 in the OECD and by 2040 for the rest of the world. BNP Paribas Group is thus taking strong positions, as a founding member of the United Nations Principles for Responsible Banking, which commits it to align its strategy with the Paris Agreement and the SDGs. As part of BNP

Paribas Group's 2022-2025 strategic plan, it aims to mobilize €350 billion in ESG-related loans and bond issuances (loans to companies, institutions and individuals covering environmental and social issues and annual sustainable bonds issuances) and to have €300 billion in sustainable responsible investments under management by 2025 (for example, BNP Paribas Asset Management's open-ended funds distributed in Europe and classified as funds that promote ESG characteristics or funds that have a sustainability objective for the purposes of SFDR). By the end of 2015, BNP Paribas Group had already significantly strengthened its criteria for financing and investing in the coal sector, and in 2017, it was the first bank to announce the cessation of its financing activities for companies that derive most of their revenues from non-conventional hydrocarbons, measures that remain to date among the most advanced in the sector. These decisions are also reflected in the energy mix that BNP Paribas Group finances. BNP Paribas Group also supports its clients, both individuals and businesses, in their transition to a low-carbon economy. BNP Paribas Group also aims to reduce the environmental footprint of its own operations. Despite the actions taken by BNP Paribas Group to monitor risks and combat climate change, physical, transition or liability risks related to climate change could disrupt business or lead to losses.

7.6 *Changes in certain holdings in credit or financial institutions could have an impact on BNP Paribas Group's financial position.*

Certain classes of assets may carry a high risk-weight of 250%. These assets include: credit or financial institutions consolidated under the equity method within the prudential scope, (excluding insurance); significant financial interest in credit or financial institutions in which BNP Paribas Group holds a stake of more than 10%; and deferred tax assets that rely on future profitability and arise from temporary differences.

The risk-weighted assets carrying a risk-weight of 250% amounted to €18 billion at 31 December 2021, or 2% of the total risk-weighted assets of BNP Paribas Group. If BNP Paribas Group increases the amount of heavy risk-weighted assets (either by increasing the proportion of such heavy risk-weighted assets in its overall asset portfolio or due to an increase of the regulatory risk-weighting applicable to these assets), its capital adequacy ratios may be lowered.".

4. RESPONSIBILITY STATEMENT

BNP Paribas accepts responsibility for the information contained in the third amendment to the 2020 Universal Registration Document filed with the FCA on 20 April 2022. To the best of the knowledge of BNP Paribas, the information contained in such third amendment to the 2020 Universal Registration Document is in accordance with the facts and contains no omission likely to affect its import.